

# **EXHIBIT 1**

## CHALLENGED STATEMENTS ALLEGED IN THE AMENDED COMPLAINT

Statement No.	Amended Complaint Reference	Challenged Statement	Categories <sup>1</sup>
COMPLIANCE STATEMENTS <sup>2</sup>			
Document 1 (Ex. 8)			
1	AC ¶ 46	<p><i>February 14, 2019 – 2018 Year-End Report<sup>3</sup></i></p> <p>“As a B2B supplier, Evolution has customer relationships to the gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas.”</p>	<ul style="list-style-type: none"> <li>Statement makes no assurance of complete customer licensing compliance</li> </ul>

<sup>1</sup> Reasons that each challenged statement is not false, material, or otherwise actionable, as described in Section II.A. of Defendants’ Memorandum of Law in Support of Defendants’ Motion to Dismiss the Amended Complaint (“Mot.”). The Amended Complaint also does not allege scienter for any statement. *See Mot. ¶ II.B.*

<sup>2</sup> *See Mot. ¶ II.A.1.*

<sup>3</sup> Repeated in Evolution’s (1) 2018 Annual Report, dated March 28, 2019 (Ex. 3); (2) 2019 Annual Report, dated March 24, 2020 (Ex. 4); (3) 2020 Annual Report, dated March 26, 2021 (Ex. 5); (4) 2021 Annual Report, dated March 18, 2022 (Ex. 6); (5) 2022 Annual Report, dated March 14, 2023 (Ex. 7); (6) January–March 2019 Interim Report, dated April 25, 2019 (Ex. 9); (7) January–June 2019 Interim Report, dated July 19, 2019 (Ex. 10); (8) January–September 2019 Interim Report, dated October 24, 2019 (Ex. 11); (9) 2019 Year-End Report, dated March 24, 2020 (Ex. 12); (10) January–March 2020 Interim Report, dated April 23, 2020 (Ex. 13); (11) January–June 2020 Interim Report, dated July 17, 2020 (Ex. 14); (12) January–September 2020 Interim Report, dated October 22, 2020 (Ex. 15); (13) 2020 Year-End Report, dated February 10, 2021 (Ex. 16); (14) January–March 2021 Interim Report, dated April 27, 2021 (Ex. 17); (15) January–June 2021 Interim Report, dated July 21, 2021 (Ex. 18); (16) January–September 2021 Interim Report, dated October 28, 2021 (Ex. 19); (17) 2021 Year-End Report, dated February 9, 2022 (Ex. 20); (18) January–March 2022 Interim Report, dated April 28, 2022 (Ex. 21); (19) January–June 2022 Interim Report, dated July 21, 2022 (Ex. 22); (20) January–September 2022 Interim Report, dated October 27, 2022 (Ex. 23); (21) 2022 Year-End Report, dated February 2, 2023 (Ex. 24); (22) January–March 2023 Interim Report, dated April 27, 2023 (Ex. 25); and (23) January–June 2023 Interim Report, dated July 21, 2023 (Ex. 26).

			<ul style="list-style-type: none"> <li>• Statement not rendered false by small number of customer regulatory violations</li> <li>• No duty to disclose uncharged, unadjudicated regulatory infractions by customers</li> <li>• Risks of customer failures to comply with gaming laws disclosed</li> <li>• Risks of changes to gaming laws disclosed</li> </ul>
<b>Document 2 (Ex. 29)</b>			
2	AC ¶ 52	<i>October 28, 2021 – Third Quarter 2021 Earnings Call</i>	<p><b><i>“We perform full due diligence of the operators or aggregators, and we demand them to be licensed.</i></b> In some jurisdictions, but far from all, suppliers like us, Evolution also needed business-to-business license to be allowed to supply content to the licensed operators. Today, we hold about 20—we hold 20 business-to-business licenses. . . It is the operators’ responsibility to comply with the regulation and their own license.<sup>4</sup></p> <ul style="list-style-type: none"> <li>• No allegation that Evolution did not conduct the due diligence or make the licensing demand it described</li> <li>• No allegation that Evolution supplied products to unlicensed customers</li> <li>• Statement makes no assurance of complete customer licensing compliance</li> <li>• Statement not rendered false by small number of customer regulatory violations</li> </ul>

<sup>4</sup> Bold and italics from the Amended Complaint. Underline denotes portion of statement added by Defendants.

			<ul style="list-style-type: none"> <li>• No duty to disclose uncharged, unadjudicated regulatory infractions by customers</li> <li>• Risks of customer failures to comply with gaming laws disclosed</li> <li>• Risks of changes to gaming laws disclosed</li> </ul>
3	AC ¶ 54	<p><b>February 9, 2022 – 2021 Year-End Report</b></p> <p><i>“Towards the end of the quarter, a dubious, anonymous and falsified report with the clear intention to harm Evolution was published. . . . Evolution is a content provider and we <u>only</u> supply to licensed customers. With the ambition to be even better we will continue to work on all processes in relation to due diligence of our customers and their licensing and regulatory framework.”</i></p>	<ul style="list-style-type: none"> <li>• Statement discloses due diligence processes are imperfect</li> <li>• No allegation that Evolution supplied products to unlicensed customers</li> <li>• Statement makes no assurance of complete customer licensing compliance</li> <li>• Statement not rendered false by small number of customer regulatory violations</li> <li>• Risks of customer failures to comply with gaming laws disclosed</li> <li>• Risks of changes to gaming laws disclosed</li> </ul>

Document 4 (Ex. 31)		
February 9, 2022 – Fourth Quarter 2021 Earnings Call		
4	AC ¶ 56	<p>“We’re very comfortable with our business model. <i>We only then, as you all know, sell our content to licensed operators, licensed by state or government or countries.</i> So we’re comfortable with that.”</p> <ul style="list-style-type: none"> <li>• No allegation that Evolution’s business model was not to sell to licensed customers</li> <li>• No allegation that Evolution supplied products to unlicensed customers</li> <li>• Statement makes no assurance of complete customer licensing compliance</li> <li>• Statement not rendered false by small number of customer regulatory violations</li> <li>• No duty to disclose uncharged, unadjudicated regulatory infractions by customers</li> <li>• Risks of customer failures to comply with gaming laws disclosed</li> <li>• Risks of changes to gaming laws disclosed</li> </ul>
Document 5 (Ex. 6)		
March 18, 2022 – 2021 Annual Report <sup>5</sup>		
5	AC ¶ 59	<p>“Evolution only provides its products to customers with a valid license for online casino granted by a country or a state (jurisdiction) and monitored for compliance by the relevant</p> <ul style="list-style-type: none"> <li>• Statement makes no assurance of complete customer licensing compliance</li> </ul>

<sup>5</sup> Repeated in Evolution’s 2022 Annual Report, dated March 14, 2023 (Ex. 7).

		<p>regulatory instance. Evolution supplies both licensed B2C casino operators, which then supply the games to players, and licensed B2B-actors, which then supply the games to B2C licensed operators, which in turn offer them to players.”</p>	<ul style="list-style-type: none"> <li>• Statement not rendered false by small number of customer regulatory violations</li> <li>• No duty to disclose uncharged, unadjudicated regulatory infractions by customers</li> <li>• Risks of customer failures to comply with gaming laws disclosed</li> <li>• Risks of changes to gaming laws disclosed</li> </ul>
<b>GROWTH STATEMENTS<sup>6</sup></b>			
6	AC ¶ 67	<p><i>February 2, 2023 – Fourth Quarter 2022 Earnings Call</i></p>	<p>Document 6 (Ex. 35)</p> <p>Carlesund: “Live casino delivered very satisfactory growth of over 41% in the quarter and for the full year. RNG revenue amounted to EUR 72.5 million, a growth of 15.3% in reported numbers. The growth in the quarter compared to the combined revenue of Evolution and Nolimit City for Q4 2021, the pro forma growth of RNG amounted to 5.1%. As earlier communicated, <i>we have a target of double-digit organic growth in RNG</i>. <i>Moving forward into 2023, the path to our goal within RNG will not be linear, but we look forward to 2023.</i>”</p> <p>Kaplan: “<u>There are still large growth opportunities for us in many markets. All that said, I expect the growth in percentage terms to continue to come down as our revenue base gets larger.</u>”</p>

<sup>6</sup> See Mot. § II.A.2.

	<p>This is a slight improvement in [RNG] growth from Q3, but it's still lower than the goal of double-digit growth we communicated at the beginning of 2022.</p> <p>We stated also then that the development will not be a straight line towards that goal, and I see that comment as still valid looking into 2023. We remain committed to the goal, as Martin pointed out, and are continuously working to improve productivity in our RNG operations, but we will not set a firm deadline for when the goal of double-digit growth can be achieved at this time."</p>	<ul style="list-style-type: none"> <li>Not actionable because no allegation that reported information was inaccurate</li> <li>Statement provides no assurance of future growth</li> <li>General statement regarding growing demand not actionable</li> <li>Risks of challenges to growth disclosed</li> </ul>
7	AC ¶ 68	<p>"In the quarter, we <i>have further expanded our North American footprint with the launch of a third studio in New Jersey to support the growing demand there</i> and the build-out of the new studio will continue in 2023. We're also gradually starting to expand our games portfolio in North America, after the launch of Craps in Pennsylvania last quarter. And we finally also launched the fantastic new game in New Jersey in Q4."</p>
8	AC ¶ 69	<p>"This slide shows the breakdown of our revenues by geographic region. It's a very good growth year-on-year in all geographical markets, and it's evident that the demand is truly global. Year-on-year growth in North America amounted to 66%, with the highest growth rate of all regions for the fourth quarter. For the full year, the growth amounted to 65% compared to last year.</p> <p>In Asia, we saw a continued strong growth of 50% year-on-year and a growth of 67% for the full year. <i>We see good potential in both these markets and expect a continued high growth rate going forward.</i>"</p>

Document 7 (Ex. 36)			
April 27, 2023 – First Quarter 2023 Earnings Call			
9	AC ¶ 73	<p>Kaplan: “<u>We think we have a long runway for growth and see good opportunities in many areas. However, as we have pointed out also during last year, we do expect growth rates to continue to slow down as our base continues to increase. That is to be expected.</u></p> <p><u>RNG revenue amounts to EUR 69.5 million in the quarter. It's a step back from Q4 and only very slightly up compared to pro forma figures for the first quarter of 2022. Our message has been the same since Q1 of last year that we remain committed to reaching double digit growth in RNG. We have not set the time on that goal. And we have also pointed out that the development would not be linear.</u></p> <p><u>Sometimes it hurts to be right. So while not surprised by the results in Q1, I admit it is disappointing compared to my expectations from 1 year ago. As Martin pointed out, lots of work is going on. But it will take some time before we see the financial results. So I'm confident we will reach our ambitions, but I don't see a quick turnaround in Q2 or Q3.”</u></p> <p>Carlesund: “<u>There is a slowing of the general economy in large part[s] of the world, but we continue to attract new players and grow in all our markets. As we have said in earlier quarters, it is reasonable to assume that the general slowdown of the economy also affects us on some level.</u></p> <p>…</p> <p><u>We have entered the year with a good momentum and equipped with a fantastic product portfolio and old talent. . . . But remember, demand of our products is a global phenomenon.”</u></p>	<ul style="list-style-type: none"> <li>Not actionable because no allegation that reported financial results were inaccurate</li> <li>Statement provides no assurance of future growth</li> <li>Risks of challenges to growth disclosed</li> </ul>

Document 8 (Ex. 37)			
July 21, 2023 – Second Quarter 2023 Earnings Call			
10	AC ¶ 76	<p>“North America is also growing year-on-year with about 20% in Q2. <b>We see good potential growth in the current states, both from an increase of share of Live, simply put a portion of Live on the online casino revenue and growth of the market in each state as new players familiarize[!] themselves with online gaming. We’re working hard to launch new games, and it takes more time than we want, but the end goal is firm.</b> We want all North American players to have access to all our fantastic games. Over time, we will also see more states regulate even if that course also [has] been a bit slow during the last year, we expect it to pick up going forward.”</p>	<ul style="list-style-type: none"> <li>Not actionable because no allegation that reported financial results were inaccurate</li> <li>Statement provides no assurance of future growth</li> <li>General statement regarding good potential growth not actionable</li> <li>Risks of challenges to growth disclosed</li> </ul>
11	AC ¶ 77	<p>Carlesund: “<u>The progress that we have seen operationally in RNG during the first half is very good, and I look forward to the second half. Even so, we by now know the road to good growth in RNG is not a straight line. . . . RNG revenue is stable Q1 to Q2, but compared to the pro forma RNG revenue of Q2, it's negative 4.0%.</u>”</p>	<ul style="list-style-type: none"> <li>Not actionable because no allegation that reported financial results were inaccurate</li> <li>Statement provides no assurance of future growth</li> <li>General statement regarding growth goal not actionable</li> <li>Risks of challenges to growth disclosed</li> </ul>

	<p>towards the end of this year, some direction towards that, and it will take into next year as well before we're fully there.”</p>
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## **EXHIBIT 2**

EVOLUTION'S WARNINGS CONCERNING REGULATORY COMPLIANCE AND GROWTH GOALS  
FEBRUARY 14, 2019–OCTOBER 25, 2023 (EXCERPTS)

Exhibit 3 March 28, 2019 – 2018 Annual Report of Evolution	
<b>Risk assessment for new customers</b>	Evolution is always able to discontinue its services to <i>operators that fail to comply with the relevant regulations</i> , or that in some other way jeopardise Evolution's market position and/or gaming licences. (p. 31.)
<b>Risk factors</b>	<p><i>Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position.</i> These can be divided into industry, operational, sustainability and financial risks. <i>When assessing the Company's future development, it is important to take into account the risk factors alongside any opportunities for profit growth.</i></p> <p>...</p> <p>Evolution generates a majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. <i>These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate, and/or re-regulate the gaming industry.</i><sup>1</sup></p> <p>...</p> <p>While Evolution currently holds all licences and certifications deemed necessary to carry out its business, <i>national gambling laws are under review and changing in European countries. The Company may be subject to such laws, directly or indirectly, insofar as it supplies services to customers that are subject to such laws. Changes in the regulatory frameworks of different jurisdictions could impact the Group's business in that such changes may lead to an increase in the number of market participants and competitors, result in customers losing their licences and permits to operate in such jurisdictions or break up monopolistic gaming operators, which could impact the Group's underlying contractual relationships.</i></p>

<sup>1</sup> All emphases added (bolding in headings in original).

Further, many jurisdictions have not updated their laws to address the supply of remote gaming services from other countries, and courts may interpret older legislation unfavourably or determine that the activities of the Group and/or its customers are illegal. . . . Furthermore, several European countries have introduced, or are in the process of introducing, new online gaming regulations . . . . Although Evolution monitors the regulatory environment, legislation could be interpreted in an unfavourable or unanticipated manner. If regulatory or enforcement actions are brought against any of Evolution's customers, the Group's revenue streams from such customers may be frozen or traced by authorities, even if no Group entity is made a party to any legal proceedings against such customers. As a result, end users may face problems transferring funds in and out of certain jurisdictions, which may impact payments to gaming operators and hence Evolution.

...  
In addition to gaming laws and regulations, Evolution is subject to a wide variety of laws and regulatory requirements. . . . The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could . . . have a material adverse effect on the Group's business, financial position and profit.

...  
*Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change.*

Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions. . . . If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, the Company's growth strategy and customer base could be adversely impacted.

...  
*Evolution operates in a competitive industry. Competition is expected to continue to intensify* as new Live Casino providers enter the market and existing providers improve and expand their product and service offerings. *If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position, and profit.* (pp. 50-51.)

Exhibit 4

March 24, 2020 – 2019 Annual Report of Evolution

Risk assessment for new customers

Evolution is always able to discontinue its services to operators that fail to comply with the relevant regulations, or that in some other way jeopardise Evolution's market position and/or gaming licences. (p. 31.)

**Risk factors**

*Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position.* These can be divided into industry, operational, sustainability and financial risks. *When assessing the Company's future development, it is important to take into account the risk factors alongside any opportunities for profit growth.*

...  
Evolution generates a majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. *These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate, and/or re-regulate the gaming industry.*

...  
While Evolution currently holds all licences and certifications deemed necessary to carry out its business, *national gambling laws are under review and changing in European countries. The Company may be subject to such laws, directly or indirectly, insofar as it supplies services to customers that are subject to such laws. Changes in the regulatory frameworks of different jurisdictions could impact the Group's business in that such changes may lead to an increase in the number of market participants and competitors, result in customers losing their licences and permits to operate in such jurisdictions or break up monopolistic gaming operators, which could impact the Group's underlying contractual relationships.*

Further, many jurisdictions have not updated their laws to address the supply of remote gaming services from other countries, and *courts may interpret older legislation unfavourably or determine that the activities of the Group and/or its customers are illegal. . . Furthermore, several European countries have introduced, or are in the process of introducing, new online gaming regulations . . .* Although Evolution monitors the regulatory environment, *legislation could be interpreted in an unfavourable or unanticipated manner. If regulatory or enforcement actions are brought against any of Evolution's customers, the Group's revenue streams from such customers may be frozen or traced by authorities, even if no Group entity is made a party to any legal proceedings against such customers.* As a result, end users may face problems transferring funds in and out of certain jurisdictions, *which may impact payments to gaming operators and hence Evolution.*

...  
*In addition to gaming laws and regulations, Evolution is subject to a wide variety of laws and regulatory requirements. . . The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could . . . have a material adverse effect on the Group's business, financial position and profit.*

<p><i>... Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change.</i></p> <p>Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions. . . . If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, <b>the Company's growth strategy and customer base could be adversely impacted.</b></p>	<p><i>... Evolution operates in a competitive industry. Competition is expected to continue to intensify as new Live Casino providers enter the market and existing providers improve and expand their product and service offerings. If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit.</i> (pp. 52-54.)</p>	<p><b>Group CEO comments</b></p> <p>In North America, the long-term growth will depend on the pace of continued regulation of the USA. (p. 4.)</p> <p><b>Risk assessment for new customers</b></p> <p>Evolution is always able to discontinue its services to <i>operators that fail to comply with the relevant regulations</i>, or that in some other way jeopardise Evolution's market position and/or gaming licences. (p. 26.)</p> <p><b>Risk factors</b></p> <p><i>Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position.</i> These can be divided into industry, operational, sustainability and financial risks. <i>When assessing the Company's future development, it is important to take into account the risk factors alongside any opportunities for profit growth.</i></p> <p><i>...</i></p> <p>Evolution generates the majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. <i>These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate and/or re-regulate the gaming industry.</i></p>
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... While Evolution currently holds all licences and certifications deemed necessary to carry out its business, *national gambling laws are under review and changing in European countries. The Company may be subject to such laws, directly or indirectly, insofar as it supplies services to customers that are subject to such laws. Changes in the regulatory frameworks of different jurisdictions could impact the Group's business in that such changes may lead to an increase in the number of market participants and competitors, result in customers losing their licences and permits to operate in such jurisdictions or break up monopolistic gaming operators, which could impact the Group's underlying contractual relationships.*

Furthermore, many jurisdictions have not updated their laws to address the supply of remote gaming services from other countries, and *courts may interpret older legislation unfavourably or determine that the activities of the Group and/or its customers are illegal. . . Furthermore, several European countries have introduced, or are in the process of introducing, new online gaming regulations . . .* Although Evolution monitors the regulatory environment, *legislation could be interpreted in an unfavourable or unanticipated manner. If regulatory or enforcement actions are brought against any of Evolution's customers, the Group's revenue streams from such customers may be frozen or traced by authorities*, even if no Group entity is made a party to any legal proceedings against such customers. As a result, end users may face problems transferring funds in and out of certain jurisdictions, *which may impact payments to gaming operators and hence Evolution.*

... In addition to gaming laws and regulations, *Evolution is subject to a wide variety of laws and regulatory requirements. . . The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could . . . have a material adverse effect on the Group's business, financial position and profit.*

... *Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change.*

Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions. . . If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, *the Company's growth strategy and customer base could be adversely impacted.*

<p>... <i>Evolution operates in a competitive industry. Competition is expected to continue to intensify as new live casino providers enter the market and existing providers improve and expand their product and services offerings. If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit.</i> (pp. 56-58.)</p>	<p><b>Exhibit 6</b> <i>March 18, 2022 – 2021 Annual Report of Evolution</i></p>	<p><b>Risk assessment for new customers</b></p> <p>Evolution is always able to discontinue its services to <i>operators that fail to comply with the relevant regulations</i>, or that in some other way jeopardise Evolution's market position and/or gaming licences. (p. 24.)</p>	<p><b>Due Diligence Process</b></p> <p>If a customer fails to meet the terms and conditions or requirements in the contract, Evolution reserves the right to terminate the agreement. If a regulator suspects non-compliance in relation to Evolution products, Evolution works with the regulator to investigate the situation and take relevant action and <i>in the event that a regulator would withdraw a customer's license, Evolution would discontinue that customer.</i> (p. 25.)</p>	<p><b>Risk factors</b></p> <p><i>Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position.</i> These can be divided into industry, operational, sustainability and financial risks. When assessing the Company's future development, <i>it is important to take into account the risk factors alongside any opportunities for profit growth.</i></p>	<p>... Evolution generates the majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. <i>These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate and/or re-regulate the gaming industry.</i></p>
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<p>... <i>Evolution operates in a competitive industry. Competition is expected to continue to intensify as new live casino providers enter the market and existing providers improve and expand their product and service offerings. If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit.</i> (pp. 52-54.)</p>	<p><b>Exhibit 7</b> <i>March 14, 2023 – 2022 Annual Report of Evolution</i></p> <p><b>Risk assessment for new customers</b></p> <p>Evolution is always able to discontinue its services to operators that <i>fail to comply with the relevant regulations</i>, or that in some other way jeopardise Evolution's market position and/or gaming licences. (p. 25.)</p> <p><b>Due Diligence Process</b></p> <p>If a customer fails to meet the terms and conditions or requirements in the contract, Evolution reserves the right to terminate the agreement. If a regulator suspects non-compliance in relation to Evolution products, Evolution works with the regulator to investigate the situation and take relevant action and <i>in the event that a regulator would withdraw a customer's license, Evolution would discontinue that customer.</i> (p. 26.)</p>
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## Risk factors

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...  
**In addition to gaming laws and regulations, Evolution is subject to a wide variety of laws and regulatory requirements. . . The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could . . . have a material adverse effect on the Group's business, financial position and profit.**

... *Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change.* Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions. . . . If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, *the Company's growth strategy and customer base could be adversely impacted.*

... *Evolution operates in a competitive industry. Competition is expected to continue to intensify* as new live casino providers enter the market and existing providers improve and expand their product and service offerings. *If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit.* (pp. 55-57.)

#### Exhibit 8

*February 14, 2019 – 2018 Year-End Report of Evolution*

#### Significant risks and uncertainties

... *The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.* Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, *there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.* (p. 5.)

#### Exhibit 9

*April 25, 2019 – January–March 2019 Interim Report of Evolution*

#### Significant risks and uncertainties

... *The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.* Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, *there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.* (p. 5.)

		Exhibit 10 <i>July 19, 2019 – January–June 2019 Interim Report of Evolution</i>
<b>Significant risks and uncertainties</b>		
...		
		<i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 5.)
	Exhibit 11 <i>October 24, 2019 – January–September 2019 Interim Report of Evolution</i>	
<b>Significant risks and uncertainties</b>		
...		
		<i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 5.)
	Exhibit 12 <i>March 24, 2020 – 2019 Year-End Report of Evolution</i>	
<b>Significant risks and uncertainties</b>		
...		
		<i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 5-6.)

Exhibit 13 April 23, 2020 – January–March 2020 Interim Report of Evolution	
<b>Significant risks and uncertainties</b>	<p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 5.)</p>
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<p><b>Exhibit 16</b></p> <p><b>February 10, 2021 – 2020 Year-End Report of Evolution</b></p> <p><b>Significant risks and uncertainties</b></p> <p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 6-7.)</p>	<p><b>Exhibit 17</b></p> <p><b>April 27, 2021 – January–March 2021 Interim Report of Evolution</b></p> <p><b>Significant risks and uncertainties</b></p> <p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 6-7.)</p>	<p><b>Exhibit 18</b></p> <p><b>July 21, 2021 – January–June 2021 Interim Report of Evolution</b></p> <p><b>Significant risks and uncertainties</b></p> <p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 7.)</p>
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<p><b>Exhibit 19</b></p> <p><i>October 28, 2021 – January–September 2021 Interim Report of Evolution</i></p> <p><b>Significant risks and uncertainties</b></p> <p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 7.)</p>
<p><b>Exhibit 20</b></p> <p><i>February 9, 2022 – 2021 Year-End Report of Evolution</i></p> <p><b>Significant risks and uncertainties</b></p> <p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 7.)</p>
<p><b>Exhibit 21</b></p> <p><i>April 28, 2022 – January–March 2022 Interim Report of Evolution</i></p> <p><b>Significant risks and uncertainties</b></p> <p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 6.)</p>

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<p><b>Exhibit 24</b> <i>February 2, 2023 – 2022 Year-End Report of Evolution</i></p> <p><b>Significant risks and uncertainties</b></p> <p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 6.)</p>	<p><b>Exhibit 25</b> <i>April 27, 2023 – January–March 2023 Interim Report of Evolution</i></p> <p><b>Significant risks and uncertainties</b></p> <p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 6.)</p>	<p><b>Exhibit 26</b> <i>July 21, 2023 – January–June 2023 Interim Report of Evolution</i></p> <p><b>Significant risks and uncertainties</b></p> <p>...</p> <p><i>The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings.</i> Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, <b>there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed.</b> (p. 7.)</p>	<p><b>Exhibit 27</b> <i>October 24, 2019 – Third Quarter 2019 Earnings Call</i></p> <p>Q: So if we look at your reported regulated revenues, how large share of this stem from operators that actually have a license in each regulated territory? And I don't mean the aggregator. I mean the actual operator.</p> <p>A: So the share of revenue from regulated markets is 42% in [capital]. (p. 6.)</p>
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...  
Q: You recently decided to stop the serving your games to Swedish customers from operators who do not possess a Swedish license. Do you think that this will -- this is something that you will have to do in other jurisdictions as well?

A: We encourage cooperation with the regulator, and we follow what they demand of us to do. And we have constant discussion with them. It could happen that we are having those discussions with others in the future. (p. 6.)

**Exhibit 29**

*October 28, 2021 – Third Quarter 2021 Earnings Call*

***There's risk in regulated markets, as I often point out, due to regulators come to adjust, and we've seen that in U.K. a little bit pressure on the market.*** We now see that the Netherlands regulated finally. . . . Germany, of course, puts pressure on the market. (p. 8.)

...  
[I]n each and every country, there's always new rules and regulations, and they are not in sync in the world, which people might think it's really different from country to country depending on the situation. (p. 11.)

...  
Q: ***Will the U.K. Gambling Act Review should be reaching some kind of conclusion fairly shortly. Do you expect any potential impact from that?*** And how sensitive would the business be to any imposition of maximum state limits on slots or deposit limits?

A: ***Any adjustments that they do, which sort of limits the game play is, of course, affecting us through our operators. We're completely sort of aligned with them on that.*** And there is so much speculation and no firm real conclusions yet. And so to evaluate it, I would rather wait until we know exactly what it is. But any limitations, of course, affect us equally as it would affect any operator. (p. 15.)

**Exhibit 30**

*November 24, 2021 – Evolution Business Update Call*

Evolution provides a service to the operator who in turn provides their services to the players. . . . [I]t is the operators' responsibility to conduct the KYC on each player and decide what markets to focus on and what players to accept. ***It is the operators' responsibility to comply with the regulation and their own license.*** (p. 2.)

... We supply services to licensed B2C casino operators and B2B aggregators as I stated already and nothing else. ***It is important to point out that Evolution does not own or control any of the operators or aggregators we work with.*** Evolution does not control which players the operator allows to play. (p. 2.)

... ***There are also frequent changes implemented from the regulators,*** which will affect both services supplied by Evolution as well as interaction with operators. (p. 3.)

Exhibit 31

*February 9, 2022 – Fourth Quarter 2021 Earnings Call*

Moving forward into 2022, ***the path to growth within RNG will not be linear, and I expect the growth rate to vary through the next couple of quarters.*** (p. 4.)

I'm confident that we will reach higher growth for RNG. However, ***the road to increase[d] growth will not be a straight one and I expect growth rate to fluctuate in the years to come.*** (p. 5.)

... I would say RNG development is in line with our expectations from earlier in the year. Our ambition . . . is to increase growth and reach double-digit growth during the next year. But I see that, realistically, I see us reaching that more towards the end of the year. (p. 6.)

... ***If it will take a few quarters to get growth up and achieve sustainable double-digit growth. . . . So, we'll take it step by step, but don't expect a linear increase of the growth percentage from Q4 into 2022.*** (p. 6.)

... ***Q: If you're about to broaden your product portfolio in the US,*** and that was pretty clear yesterday from the presentation as well. ***How easy can you do that?*** How easy is it to get the game show certified, et cetera, for the US states?

A: Good question, I must say. ***It's always a challenge.*** First of all, the regulatory environment in US is Live. And Live is new to them. It's something that is new. So it's a process. You need to work with the regulator and see to that they are comfortable and knowledgeable when it comes to the new products, and it will take a little while. (p. 10.)

## Exhibit 32

## April 28, 2022 – First Quarter 2022 Earnings Call

But of course, we would also like to do better in the RNG area. We mentioned last quarter that our ambition to reach double-digit growth remains ***even though it will not be reached in the next couple of quarters.*** (p. 4.)

...  
Compared to the previous quarter, RNG revenue is lower, partly due to a strong Q4, generally high payer activity around year-end with Christmas promotions and the like. But of course, we would also like to do better in the RNG area. We mentioned last quarter that our ambition to reach double-digit growth remains even though it will not be reached in the next couple of quarters. . . . [W]e have a ***couple of tougher quarters ahead of us in the RNG area as I see it right now.*** (p. 5.)

...  
I think that ***we will be underserving the [North American] market for quite some time going forward.*** (p. 7.)

...  
Q: Then North America, it's Ontario and you're going to launch in Connecticut and you have the -- you have the Lightning Roulette game. ***Do you expect any change of the growth rates during the coming quarters in North America?***

A: ***We don't guide on the growth rate going forward.*** (p. 7.)

...  
Q: [O]n the RNG growth. Just wanting to understand if you're still confident to achieve the double-digit growth in R&D at some point this year or if that could flip into 2023 given that you just mentioned the next couple of quarters would be more challenging on the growth side for that division.

A: ***When it comes to the double-digit growth, that's clear, that's our ambition.*** . . . Exactly what time frame, I already stated that we are in the base case. We're not under the base case or we're on the base case. We're not really content when it comes to the development in RNG, but it could be much better or better. But we are on base case. ***Exactly when we reach double-digit growth, I will need to come back to that.*** (p. 11.)

...  
Q: And then on the U.S. again, I mean, can you say something about how the processes of getting more Live Casino games licensed are going? Do you expect it to accelerate in 2022? Or will it continue to be sort of the bottleneck and not going as fast as you would have liked?

A: The first answer is very simple. ***It will never go as fast as I want it to.*** So that is like -- so that's clear. I'm really, really -- we need to move that. . . . We need to work with the regulator. There are all different moving parts physically and (inaudible) and that's something that is continuing. We work with all regulator right now -- regulators in the United States right now to license and educate and get our games live. So that's again a process that is, in the end of the day, in the hands of the regulator. So we work with them and try to do it, and I hope to be able to release more games during 2022. (p. 12.)

...  
It's a very good process, and ***we're moving rapidly but not fast enough.*** (p. 12.)

**Exhibit 33**

***July 21, 2022 – Second Quarter 2022 Earnings Call***

[T]he ***goal of double-digit growth remains for our current RNG business, will not be a straight line development*** as we talked about also in previous quarters and ***will take some time.*** (p. 5.)

...  
[W]e reached 2,200 employees also in the North American market. So we're pacing up, clearly. ***The effects of that will be coming slower,*** but we are clearly not underserving as much as we did before. (p. 8.)

...  
[W]e ***haven't set a time for the double-digit growth.*** I'm happy with Q2, the growth in RNG. We are on pace to go to double-digit growth. ***Exactly when that happens, we haven't stated.*** (p. 12.)

...  
***IE/very quarter will not be sort of on a line. It's like it will be a little bit up and down.*** So right now, we have a great momentum in North America. We're very happy for that. And at the same time, a couple of things making the pace a little bit slower for this quarter in other regions. (p. 13.)

**Exhibit 34**

***October 27, 2022 – Third Quarter 2022 Earnings Call***

We remain ***committed to the target of double-digit growth for RNG,*** and we have communicated also in previous quarters that development ***will not be a straight line towards that goal.*** (p. 5.)

Q: [C]ould you touch on North America, please and the trends you're seeing there, namely, just in the context of the growth has slowed sequentially a bit more than other regions, despite kind of the obvious tailwinds in that market? And I guess the question of whether you're maintaining share there?

A: *That can fluctuate quarter-on-quarter.* (p. 7.)

**Exhibit 35**

***February 2, 2023 – Fourth Quarter 2022 Earnings Call***

Moving forward into 2023, *the path to our goal within RNG will not be linear.* (p. 3.)

...  
We stated also then that the development [of RNG growth] ***will not be straight line towards that goal***, and I see that comment as still valid looking into 2023. We remain committed to the goal, as Martin pointed out, and are continuously working to improve productivity in our RNG operations, but we ***will not set a firm deadline for when the goal of double-digit growth can be achieved at this time.*** (p. 5.)

**Exhibit 36**

***April 27, 2023 – First Quarter 2023 Earnings Call***

***There is a slowing of the general economy in large part of the world, but we continue to attract new players and grow in all our markets. As we have said in earlier quarters, it's reasonable to assume that the general slowdown of the economy also affects us on some level.*** (p. 1.)

As we already stated in the end of last year, *the path to our goal within RNG will not be [a line] here.* (p. 3.)

...  
We think we have a long runway for growth and see good opportunities in many areas. ***However, as we have pointed out also during last year, we do expect growth rates to continue to slow down as our base continues to increase.*** That is to be expected. . . . Our message has been the same since Q1 of last year that we remain committed to reaching double-digit growth in RNG. ***We have not set the time on that goal.*** And we have also pointed out that the ***development would not be linear.***

Sometimes it hurts to be right. So while not surprised by the results in Q1, I admit it is disappointing compared to my expectations from 1 year ago. . . . But ***it will take some time before we see the financial results.*** So I'm confident we will reach our ambitions, but ***I don't see a quick turnaround in Q2 or Q3.*** (p. 5.)

Q: *And if you look into North America, what do you see as the main driver of growth* in the coming 12 months in that region?

A: Of course, then it comes to the question that in 12 months if other states would regulate. . . . We need to see to that we fulfill all the demands that are in the markets in the right way in respect to that. That will also drive the growth. . . .

Q: Okay. So you expect to be able to grow at this pace or high double-digit even without more stakes in the coming 12 months?

A: *We don't guide on growth on separate markets.* (p. 7.)

...  
*RNG first, why isn't it growing faster in North America.* While we really -- I mean, we have games, why aren't we releasing in a faster pace? *There, it's a lot of regulatory requirements and you need to certify and see that each and every game is regulated and certified in each market. That takes time.* And it's not our time, it takes the regulators' time and the external certification institution and that piles up. So we're pushing quite hard to get out more. But that is, let's say, a limiting factor in some aspects.

We are also in the middle of the rollout of all our games into OSS, but that is also a little bit of a limitation. But main, as I stated before, is that we are still releasing in the bulk about the same games as we did last year. And we will see a gradual ramp-up a little bit better but towards the end of the year. So that's the comment on the RNG. (pp. 10-11.)

Exhibit 37

*July 21, 2023 – Second Quarter 2023 Earnings Call*

[W]e by now know *the road to good growth in RNG is not a straight line.* (p. 2.)

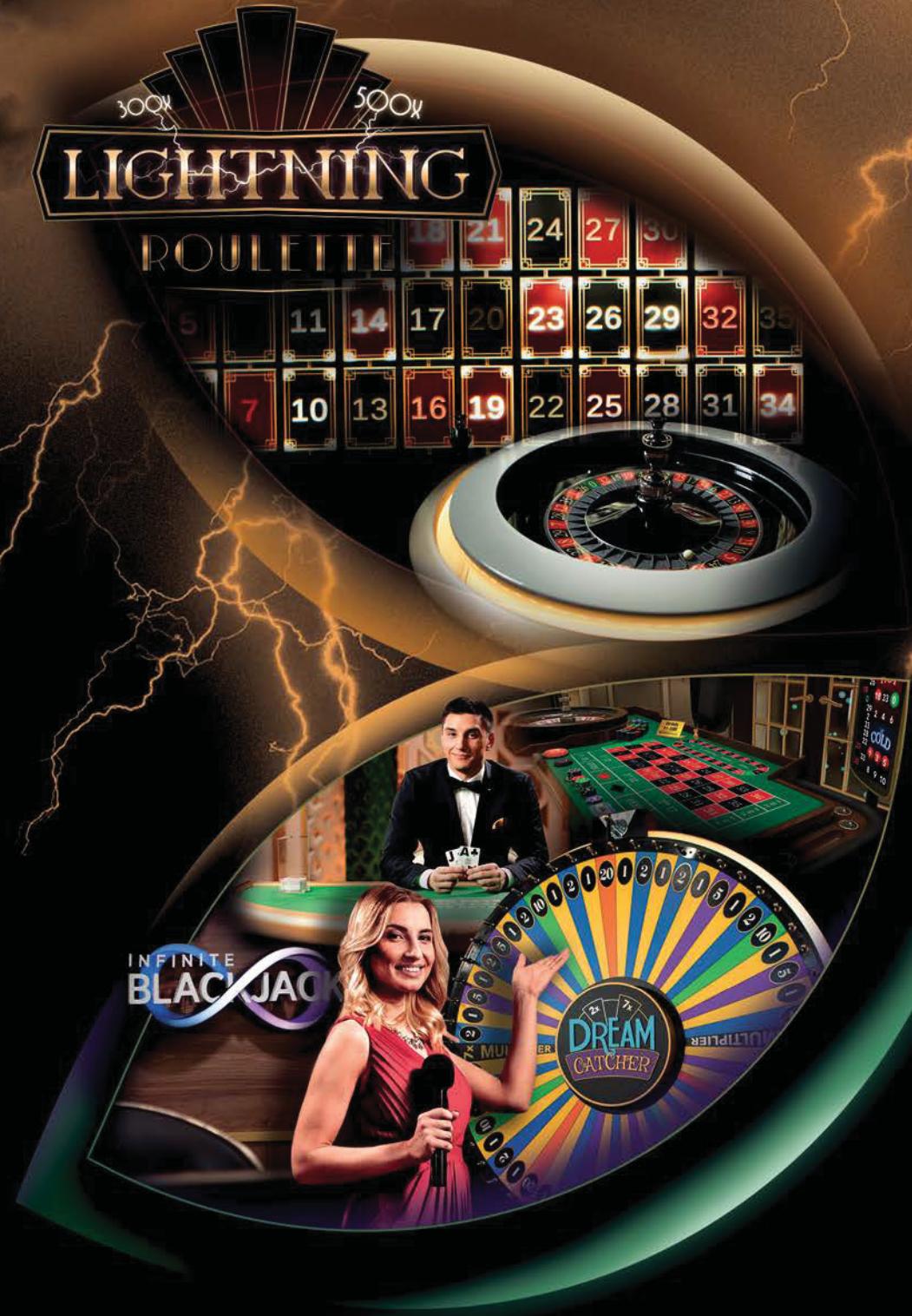
...  
*We see good potential for growth in the current [North American] states,* both from an increase of share of Live, simply put a portion of Live on the online casino revenue and growth of the market in each state as new players familiarize[] themselves with online gaming. We're working hard to launch new games, *and it takes more time than we want*, but the end goal is firm. We want all North American players to have access to all our fantastic games. (pp. 4-5.)

...  
I think the comment I made last quarter is still valid when I said that I *don't see a quick turnaround for RNG growth in Q2 or Q3.* So that means real progress towards *our goal of double-digit growth is towards the end of this year and onwards*, of course. (p. 5.)

... Q: [S]hould we expect going forward, as we're modeling that market, you to grow in line with the market [in North America] or slightly better than the market?

A: The ambition from us is, of course, to take market share and to increase our footprint in the market. And I think that if you look at the first half, we have taken market share from the market in total. And our ambition is, of course, to continue that. *That can be a bit up and down over the quarters. Quarters are depending on hold and what's happening in the company in general. And we're not really satisfied with Q2, and we need to do better in Q3 and Q4 and onwards.* (p. 11.)

# **EXHIBIT 3**



 Evolution  
Gaming

ANNUAL REPORT  
2018

## Table of contents

The year in brief	04
Group CEO comments	06
<b>STRATEGIC REPORT</b>	
Our business model, vision and strategy	10
Our strategy for growth	12
Our marketplace	14
Our operations	16
Our global locations	18
Case study: Our first USA landmark studio	20
Case study: Lightning Roulette	22
Our Live Casino portfolio	24
Our growing customer base	30
<b>SUSTAINABILITY THROUGH INTEGRITY</b>	
Dialogue with stakeholders	34
Sustainability policies	35
Responsible gaming	35
Licenses	36
Security	37
Fair and admirable employer	38
Work environment	38
Evolution Academy	39
A unique record of innovation and growth	42
The Evolution share	44



### GOVERNANCE

Directors' report	48
Corporate governance report	54
Our Board of Directors	64
Our management team	66

### FINANCIAL STATEMENTS

Financial reports	70
Notes	78
Declaration by the Board of Directors	96
Auditor's report	97
Glossary	102

## Our growing customer base

Evolution's customer portfolio includes the majority of Europe's largest online operators and a growing number of land-based casinos. The main growth will derive from the existing customer portfolio, since operators generally extend the scale of their live offerings. Evolution can also follow existing customers into new markets as more countries become regulated.



### Customer portfolio

Evolution's customer portfolio consisted of approximately 200 customers at the end of 2018, and comprises online operators and land-based casinos. The online operators can be divided into sportsbook operators and online gaming operators. Sportsbook operators focus primarily on games and betting on various sports, but they also offer casino products, where the conversion between Live Casino and live betting is high. Sportsbook operators often run successful campaigns and specific activities within the framework of their live offerings in connection with major sports events, such as the FIFA World Cup which took place in 2018.

Online gaming operators often provide a broad portfolio of RNG games, such as slots, as well as casino games with Live Casino comprising a crucial role to differentiate the offering from other operators.

The land-based casinos have begun to a greater extent to expand online and Evolution strives to be the natural partner in this transition. At the end of 2018, Evolution's customer portfolio included 12 (9) land-based casinos.

In addition to customers for whom Evolution provides direct integration, there are also several platform partnerships in which the company's Live Casino product forms part of a total solution with several product verticals. Evolution is included among platforms at Microgaming, EveryMatrix, BetConstruct and SBTech.

### New customers in 2018

Evolution announces all new customers classified as Tier 1, i.e. customers of strategic, financial or other significance.

In 2018, agreements were signed with British Columbia Lottery Corporation (BCLC), Global Gaming, ATG, Svenska Spel, Ocean Resort Casino, Hard Rock Hotel & Casino, Les Ambassadeurs Club, and Palm Beach Casino, to name a few.

### Growth among existing customers

A key aspect of the company's strategy is to increase its 'share of live' among existing customers via new product launches, services and adaptations. Evolution also follows existing customers to new regulated markets, such as the USA. 2018 was yet another record-breaking year in terms of the number of dedicated tables and environments, and many customers chose to expand with more environments with different content and themes.



## Customer dependency

A majority of Evolution's largest customers have strengthened their focus on Live Casino in recent years, although the company has managed to decrease its dependency towards its largest customers through add-on sales to other existing customers and new sales. Evolution's largest customer accounted for approximately 7 (9) percent of revenues in 2018, and the five largest customers accounted for roughly 32 (38) percent of revenues.

### Customer dependency (% of revenues)

YEAR	2016	2017	2018
TOP 1-5	47%	38%	32%

## Risk assessment for new customers

As a B2B provider, Evolution's revenues are generated via gaming operators and casinos. The company has stringent monitoring processes in place to detect attempts at fraud and money laundering, but it is the operators that handle all monetary transactions with their end users.

To satisfy regulatory requirements and further minimise the risks, the company has established due diligence processes for when new agreements are signed and to continually evaluate existing customers. Evolution is always able to discontinue its services to operators that fail to comply with the relevant regulations, or that in some other way jeopardise Evolution's market position and/or gaming licences.

## Directors' report

The Board of Directors and the Group CEO of Evolution Gaming Group AB (publ) 556994-5792 ("Evolution") hereby present the annual accounts for the Group and the Parent Company for the 2018 financial year.

### Operations

Evolution develops, produces, markets and licenses fully integrated Live Casino solutions to gaming operators. In Live Casino, a game presenter, i.e. dealer, runs the game from a casino gaming table that is followed in real time via a video stream. End users, i.e. the players, make betting decisions on their devices (computers, smartphones, tablets, etc.).

Evolution is a B2B supplier and, at the end of 2018, the Company had approximately 200 customers, including a majority of the foremost online casino operators in Europe and the USA as well as a number of land-based casinos. The operators market the products to the end users.

Evolution's Live Casino platform is unique in its kind and covers all aspects required by a gaming operator – from the recruitment and training of game presenters and other staff to streaming, production, supervision, customer services and follow-up. Operators are offered a fully customised solution with a high degree of adaptability such as standard and VIP tables, control of how the environment looks and dedicated dealer teams. The Company has a broad portfolio of core games including both classic table games and new innovative casino games. Various game derivatives are also available, i.e. variations of the core games with new technical solutions and new content.

Evolution has production studios in Riga, Latvia, Tbilisi, Georgia and Luqa, Malta, where a majority of the operations are conducted. In addition, the Company has studios in Atlantic City, USA and Vancouver, Canada. The Company also runs on-premise studios at land-based casinos in Belgium, Romania, the UK and Spain. The Parent Company of the Group is located in Stockholm, Sweden.

Additional offices are located in London, United Kingdom, Amsterdam, Netherlands and Tallinn, Estonia.

Evolution's revenues consist of fixed and variable consideration from the Company's customers. A majority of the revenue derives from commission, which is calculated as a percentage of the customer's profit generated by the Company's Live Casino platform. Through commission, Evolution gains beneficial exposure to the general growth of the European Live Casino market. In addition to commission, a proportion of the Company's revenue derives from fees for dedicated tables. These are invoiced to customers who have chosen to offer their end users dedicated tables.

### Business concept and vision

Evolution's business concept is to offer gaming operators in regulated markets an unparalleled, locally adapted Live Casino service for all digital platforms. Its mission is to make operators successful and provide an excellent gaming experience for their end users. Evolution's vision is to be the leading Live Casino provider in the world.

### Significant events in 2018

- High expansion throughout the year
- Launch of several new games, including Lightning Roulette and Infinite Blackjack
- Launch of three new studios; Vancouver, Canada, Atlantic City, USA and Tbilisi, Georgia
- Agreements with ATG and Svenska Spel in Sweden
- Expanded partnerships with existing customers, as well as new customer deals with both online and land-based casinos across all markets
- Announcement of acquisition of the Live Casino operations of Ezugi
- The Board proposes a dividend of EUR 1.20 per share (0.90).

### Market

The European Live Casino market developed strongly in 2018 and, according to independent institute H2 Gambling Capital, it had an estimated value of EUR 2,529 million at year-end. The North American Live Casino market had an estimated value of EUR 158.7 million at year-end. Just like the total online gaming market, this development is underpinned by technological progress and new distribution channels, as well as strong demand from gaming operators and their end users. Live Casino has traditionally been an add-on product in operators' online casino interface, but it has now become an integrated and strategically important product since it provides opportunities for brand differentiation.

The growth of Live Casino is also underpinned by new regulated markets. As players in such markets are less used to online gaming, there is generally less confidence in games based on random number generators. Human game presenters who speak the local language improve confidence. Live Casino has therefore turned out to be a good entry-level product when gaming operators launch their brands in new markets.

The tendency among land-based casinos to expand their offering online has contributed to the strong growth of Live Casino.

Evolution has a leading position among Live Casino operators in Europe. The Company intends to continue strengthening its leading position in the market by having a clear focus on activities that promote the business and the offering. The Company envisages the greatest growth coming from an increased proportion of Live Casino revenue from the operators' total casino revenues. The three strategic core areas — product innovation, customer optimisation and operational excellence — are considered to be of particular importance for a continued expansion of the advantage held compared to other players in the market and the creation of a stable foundation for continued growth.

### New agreements and customers

In 2018, agreements were signed with, for example, Svenska Spel, ATG, Ocean Resorts Casino, Hard Rock Hotel & Casino Atlantic City, 888casino, PokerStars Casino New Jersey and Les Ambassadeurs Club. Agreements were also concluded with a number of smaller operators and platforms, while many existing agreements were expanded to cover additional services and tables.

### Revenues and profit

#### Revenues

Evolution's total operating revenues amounted to EUR 245.4 million (178.4) in the financial year ending on 31 December 2018. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

#### Expenses and profit

Total operating expenses amounted to EUR 155.9 million (111.5). The Company's personnel expenses rose to EUR 97.7 million (72.1), mainly driven by higher expenses for personnel in connection with the launch of new tables in the Company's studios.

Depreciation, amortisation and impairments amounted to EUR 18.2 million (13.8), an increase explained primarily by the expansion of the Company's studios. Other operating expenses rose to EUR 40.1 million (25.6), driven by expenses for premises, consumables and communications. Operating profit for the year amounted to EUR 89.5 million (66.9) with an operating margin of 36.5 percent (37.5).

Financial items only had marginal impact on the profit and amounted to EUR -0.2 million (-0.2).

The Group's effective tax rate for the year amounted to 6.6 percent (6.8). The effective tax rate is chiefly affected by the countries in which Evolution conducts operations and generates profit, which may vary between reporting periods.

Profit for the year amounted to EUR 83.5 million (62.1).

#### Investments

The Group's investments in intangible assets amounted to EUR 15.04 million (10.6) in 2018. Investments in intangible assets refer to the development of new games and technical improvements of the platform, such as new functionality. Development projects during the year included the development of new games that will be launched in 2019, but also exclusive content rights.

Investments in property, plant and equipment amounted to EUR 16.26 million (10.2). Investments in property, plant and equipment primarily comprised new studio space and premises, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

Investments in computer equipment were also made to meet needs in connection with the organisation's expansion, as well as in studio equipment in the Company's production studio.

#### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 100.0 million (62.5) over the year. The increase is primarily due to an improved profit. Cash flow from investing activities was negative in the amount of EUR 31.6 million (negative 22.4). A description of the investing activities is provided in the Investments section above. Cash flow from financing activities was negative in the amount of EUR 32.6 million (negative 16.9) and primarily consisted of a transfer to the shareholders. Cash and cash equivalents amounted to EUR 85.0 million (49.3) at year-end.

#### Employees

As of 31 December 2018, Evolution employed 5,847 (4,014) people, corresponding to 4,319 (3,085) full-time equivalents. The average number of full-time equivalents for the full-year was 3,565 (2,638).

#### Parent company

The Parent Company is a holding company that was formed in December 2014. Operating revenues for the 2018 full-year amounted to EUR 6.2 million (6.2) and expenses to EUR 6.0 million (6.1). Operating profit amounted to EUR 0.2 million (0.1). Profit for the period amounted to EUR 74.8 million (49.7). The Parent Company's cash and cash equivalents amounted to EUR 0.5 million (1.0) at the end of the year and equity amounted to EUR 275.7 million (232.1). No significant investments were made in intangible or tangible assets.

During the year, the Company received dividends from the Maltese subsidiary amounting to EUR 75.0 million (50.0).

## Risk factors

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, sustainability and financial risks. When assessing the Company's future development, it is important to take into account the risk factors alongside any opportunities for profit growth. The risk factors are not set out in any particular order, importance or potential impact on the Group's revenue, profit or financial position.

Neither should these be seen as exhaustive, but rather as representing risks that are applicable to Evolution and that are monitored and evaluated by the executive management. In addition, the risks below are not the only risks to which the Group may be exposed. The Company may be unaware of certain risks. Financial risks are described in Note 23 Financial risk management.

### Political decisions and other legal aspects

Evolution generates a majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate and/or re-regulate the gaming industry. Direct enforcement actions may be taken against a member of the Group or any of its officers or directors, particularly in instances where the provision of the Group's services to a gaming operator is critical to the underlying gaming transactions. Should any of these events occur, the impact could have a material adverse effect on Evolution's business, financial position and profit.

Although the gambling laws and regulations of many jurisdictions do not specifically apply to the supply of services by licensors of gaming software, certain jurisdictions have sought to regulate or prohibit the supply of such services. While Evolution currently holds all licences and certifications deemed necessary to carry out its business, national gambling laws are under review and changing in European countries. The Company may be subject to such laws, directly or indirectly, insofar as it supplies services to customers that are subject to such laws. Changes in the regulatory frameworks of different jurisdictions could impact the Group's business in that such changes may lead to an increase in the number of market participants and competitors, result in customers losing their licences and permits to operate in such jurisdictions or break up monopolistic gaming operators, which could impact the Group's underlying contractual relationships.

Further, many jurisdictions have not updated their laws to address the supply of remote gaming services from other countries, and courts may interpret older legislation unfavourably or determine that the activities of the Group and/or its customers are illegal. For example, a court or

regulator may order that certain equipment be located in the jurisdiction in which products and services are offered, which could materially and adversely impact Evolution's operations and the business of its customers. Furthermore, several European countries have introduced, or are in the process of introducing, new online gaming regulations, which will require online gaming operators, and in some cases even providers, to hold, e.g., a country specific licence, pay gaming taxes, operate from a country domain and report gaming statistics in order to bring operators (and end users) under supervision. Although Evolution monitors the regulatory environment, legislation could be interpreted in an unfavourable or unanticipated manner. If regulatory or enforcement actions are brought against any of Evolution's customers, the Group's revenue streams from such customers may be frozen or traced by authorities, even if no Group entity is made a party to any legal proceedings against such customers. As a result, end users may face problems transferring funds in and out of certain jurisdictions, which may impact payments to gaming operators and hence Evolution.

In addition to gaming laws and regulations, Evolution is subject to a wide variety of laws and regulatory requirements. For example, the Group must comply with anti-money laundering regulations, market abuse regulations, data protection and privacy regulations (including GDPR), and is required to share bet and other transactional data with local regulators in certain markets. Compliance with all such laws and regulations laws is complex and expensive. The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could result in sanctions. Any failure by Evolution to comply with these other laws and regulatory requirements could have a material adverse effect on the Group's business, financial position and profit.

### Operations subject to official approval

Evolution has obtained and is obliged, given the nature of the software, services and technology it supplies, to maintain its licences and certifications in a number of jurisdictions, and may in the future be required to obtain licences and/or certifications in other jurisdictions. If any of these are withdrawn or are not renewed on equivalent terms (e.g. where there is change in view as to what equipment needs to be located locally), the Company may not be able to continue to operate and offer services in certain jurisdictions. Additionally, to the extent that Evolution is unable to obtain requisite licences and/or certifications in jurisdictions, particularly with respect to jurisdictions that fall within or are comprised of newly regulated markets, the Company may not be able to follow customers into these jurisdictions and newly regulated markets. In such an event, customers may turn to competitors that are licensed and/or certified in the applicable jurisdiction, or that become licensed and/or certified before Evolution does. Any failure to renew or obtain any such licence or certification could have a material adverse effect on the Group's business, financial position and profit.

Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change. Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions, such as the requirement to establish real-time data interfaces with the local regulator or pay retrospective taxes as a condition for the granting of a licence to operate in a particular jurisdiction. If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, the Company's growth strategy and customer base could be adversely impacted.

#### **Disruptions to operations and information security breaches**

Evolution's ability to provide its software to gaming operators depends upon the integrity, reliability and operational performance of its systems. The functioning of the IT systems within the Group's operations, or that of its providers or partners, could be disrupted for reasons beyond its control. Furthermore, there may be technological challenges in rolling out new products and services.

Any such disruption or event may lead to customer claims against the Group or otherwise negatively impact the Group's ability to sell products and services to its customers due to reduced confidence. Any interruption in the systems could have a negative effect on the quality of products and services offered by Evolution and, as a result, on demand from customers and their end users. The Group's success depends, in part, on providing secure products and services to customers for use by their end users. Attempts to penetrate security measures may come from various combinations of customers, end users, employees and others. The Group's IT systems are ISO-27001:2013 certified and the ability to monitor and ensure the quality and integrity of Evolution's products and services is continuously reviewed and evaluated.

#### **End users**

Although Evolution does not provide its services directly to end users, people who play Live Casino games with an operator via the Company's platform could sue the Company in its capacity of a developer and facilitator of games. While such claims against Evolution are likely to be dismissed, they could give rise to expenses and reduce confidence in the Group or impact its customers.

#### **Dependence on key personnel and skilled employees**

The majority of Evolution's employees operate, organise and oversee operations at the gaming tables. Approximately 80 percent of the Group's full-time employees working on tables as hosts and dealers. These employees possess language, dealer and other trade skills that are essential to the day-to-

day operations. Evolution aims to be an attractive employer and invests significantly in the training and development of its staff. In the ordinary course of operations, the Company experiences employee turnover with respect to employees working on tables, and such turnover can at times be significant. The loss of a significant number of its employees or any of its key employees, or any increased expenses that the Group may incur in order to retain any such employees or hire and train new employees, could have a material adverse effect on the Group's business, financial position and profit.

In addition, Evolution's business is dependent on a number of key individuals, senior executives and persons with specialist skills. These key individuals have established good relationships with market participants and have a thorough understanding of the complex environment in which the Group operates. Accordingly, these key individuals are central to the successful development of Evolution's business. If any of these individuals terminate their relationships with the Group, or materially change or reduce their roles within the Group, Evolution may not be able to replace them or their services on a timely basis with other professionals capable of making comparable contributions to operations.

#### **Dependence on major customers**

In 2018, the top five customers (in terms of revenue generated) contributed 32 percent of Evolution's revenue. The Group's revenue stream from these sources may be adversely impacted by any deterioration or decline in the business of these five customers, or if one or more of these customers opted to use a competitor of the Company for its Live Casino solutions. The reduction in revenue generated from, or loss of, one or more of these five customers could have a material adverse effect on the Group's business, financial position and profit.

#### **Counterparty risk**

Evolution is subject to counterparty risks, primarily the risk of payment default by operators. Although the Group conducts credit checks for new customers and has historically experienced low levels of payment default by its customers, the rate of customer default may rise or increase in the future. In particular, such risk may increase if Evolution were to expand into new markets where customers are less financially stable. Any payment defaults by operators could have a material adverse effect on the Group's business, financial position and profit.

#### **Competition**

Evolution operates in a competitive industry. Competition is expected to continue to intensify as new Live Casino providers enter the market and existing providers improve and expand their product and service offerings. If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit. The Company's objective is to strengthen

## ANNUAL REPORT EVOLUTION GAMING 2018

its leading market position and retain existing and attract new customers by developing its successful Live Casino platform further while focusing on a number of areas considered to be of strategic importance for continued growth.

#### Intellectual property rights

Evolution's ability to compete effectively depends, amongst other things, on its ability to protect, register and enforce its intellectual property rights. The Group also faces the risk that the use and exploitation of its intellectual property rights, including, in particular, rights relating to its software, may infringe the intellectual property rights of a third party. The expenses incurred in bringing or defending possible infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Company may result in royalties or damages being payable and/or the Company being required to cease using any infringing intellectual property or embodiments of any such intellectual property. The Group is also dependent on know-how and trade secrets, and it strives to protect such information by, for example, maintaining confidentiality agreements with employees, consultants and partners.

However, it is not possible to ensure total protection against unauthorised distribution of information and competitors, and others may gain access to such information, which may lead to the value of such information diminishing or competitors gaining an advantage, which in turn could have a material adverse effect on the Group's business, financial position and profit.

#### Risk management

Evolution is exposed to the risk of money laundering and fraudulent activities by its customers, end users and third parties, as well as the potential collusion by operators and end users. The Group has implemented internal control systems and established a primary mission control centre in Latvia that monitors transactions, volumes and patterns, but these systems may not always succeed in protecting the Group from money laundering and fraud. To the extent that the systems are not successful in protecting the Group from money laundering or fraud, or if Evolution fails to comply with applicable regulations, the Group and its directors could be subject to criminal sanctions or administrative and civil fines and could directly suffer loss, the revocation of concessions and licences, operational bans, or lose the confidence of the customer base, all of which could have a material adverse effect on the Group's business, financial position and profit. In addition, effective internal controls are necessary for Evolution to provide reliable financial information and effectively prevent fraud. While the Group applies procedures and a system of internal control whereby internal risks are assessed, and the Group's Risk Committee meets on a quarterly basis to discuss and address potential risks, it is possible that the Group will not successfully manage internal risks or identify areas requiring improvement in the internal controls.

#### Tax situation

Evolution primarily conducts its business through subsidiaries that are active in the geographic markets in which it operates. The business, including intra-Group transactions, is conducted in accordance with the Company's interpretation of applicable laws, tax treaties and other regulations concerning taxes and the practice of tax authorities in the relevant countries.

Evolution has obtained advice from independent tax advisors in this respect, but there is a risk that tax authorities in relevant countries may make decisions that deviate from the Group's interpretations and the advice received from independent tax advisors. In addition, the Group's interpretation of applicable laws, tax treaties, regulations and administrative practice may be incorrect and such rules may change, possibly with retroactive effect (in particular with regard to Maltese VAT legislation and the right of companies to deduct VAT). Furthermore, the Company has been advised that, to the extent that an individual ordinarily resident and domiciled in Malta acquires 5 percent or more of the Company, although the tax refunds in Malta should not be limited, certain Maltese withholding tax obligations may be imposed in respect of dividends attributable to such individuals. Regulatory or legislative changes, or decisions by tax authorities, may impair the present, future or previous tax position of Evolution, which could have a material adverse effect on the Group's business, financial position and profit.

#### Events following the balance sheet date

On 9 January 2019, Evolution completed the acquisition of the business of Ezugi, a live dealer gaming provider. The all-cash deal was carried out with an initial consideration of USD 12 million and possible additional consideration of a maximum of USD 6 million. It is expected to add 2-4% to 2019 revenues and be slightly accretive to Evolution earnings per share during 2019. The acquisition strengthens Evolution's position in existing markets, primarily the US, and adds further studio capacity as well as resources in product development.

#### Proposed appropriation of profits

The Board of Directors proposes that the 2018 Annual General Meeting approve the transfer to shareholders of EUR 43,164,452 (32,373,339), corresponding to EUR 1.20 (0.90) per share.

#### The following earnings are at the disposal of the Annual General Meeting

Statutory reserve	200,390,761
Profit for the year	74,787,978
<b>Total</b>	<b>275,178,739</b>

#### The Board of Directors proposes the following appropriation

Dividend to shareholders	
EUR 1.20 per share (35,970,377 x 1.20), totalling	43,164,452
To be retained	232,014,287
<b>Total</b>	<b>275,178,739</b>

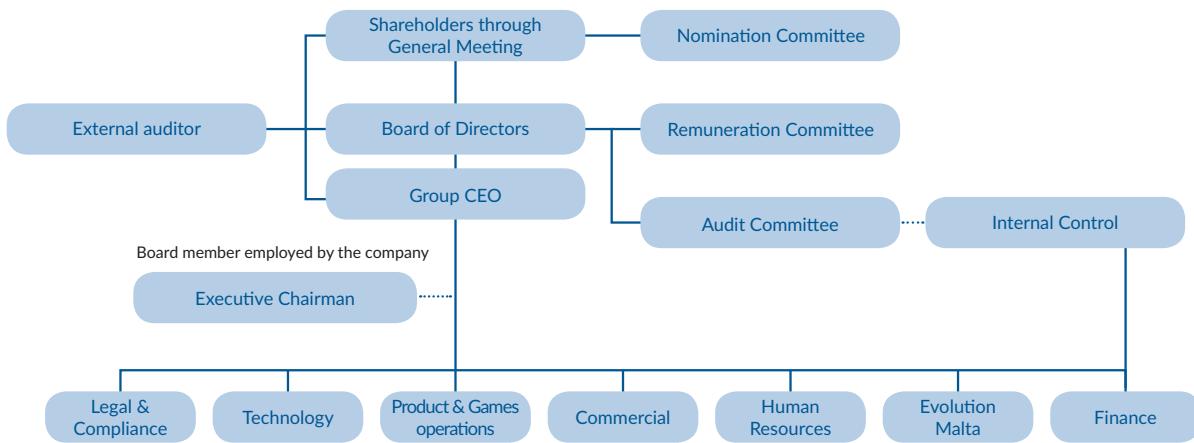
With reference to the above and to what has otherwise come to the Board of Directors' knowledge, the Board of Directors believes that a comprehensive assessment of the Parent Company and the consolidated financial position indicated that the dividend is justified taking into account the demands that scope and risks of the operations place on the scope of equity in the Parent Company and the Group and on the consolidation needs, liquidity and financial position in other regards of the Parent Company and the Group.

The Group's and the Parent Company's positions as at 31 December 2018 and the profit of the operations for the 2018 financial year are stated in the following income statements and balance sheets, cash flow statements, statements of changes in equity and notes to the financial statements.

## Corporate governance report

Evolution Gaming Group AB (publ) ("Evolution") is a Swedish public limited company that was formed in December 2014 and that is listed on the Nasdaq Stockholm exchange. Evolution applies the Swedish Companies Act, EU Market Abuse Regulation, the Swedish Code of Corporate Governance (the "Code") and other regulations and rules applicable to companies listed on the Nasdaq Stockholm exchange including Nasdaq Stockholm's Rule Book for Issuers. The current Code is available at the Swedish Corporate Governance Board's website [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

## Evolution's corporate governance model



## Ownership and voting rights

At the end of 2018, the share capital in Evolution amounted to EUR 539,555.655, divided between a total 35,970,377 shares with a nominal value of EUR 0.015 each. All shares belong to the same class of shares, with equal voting rights (one vote per share) and shares of the company's capital and profit. On 31 December 2018, there were 12,875 shareholders. At the same point in time, the company's largest shareholders were Richard Livingstone with 16.5 percent of the share capital and votes, Jens von Bahr and Fredrik Österberg (through Österbahr Ventures AB) with 15.2 percent of the share capital and votes, and Capital Group with 10.3 percent of the share capital and votes.

The ten largest shareholders represented 60 percent of the share capital and votes. Further information about the company's share and shareholders is presented under "The Evolution share" on page 44 and on the company's website.

## General Meetings

The Annual General Meeting is Evolution's highest decision-making body, at which shareholders exercise their influence on the company. All shareholders registered in the company's CSD register who notify the company in time of their attendance are entitled to attend the General Meeting and vote for all of their shares. The company's Annual General Meeting is held in the spring. The date and venue are announced in

connection with third interim report at the latest. Information on how shareholders can have a matter considered at the meeting, and when, at the latest, such a request must be received is detailed on the company's website in connection with the publication of the third interim report at the latest. Notice of the Annual General Meeting is published no later than four weeks prior to the meeting through an advertisement in Post- och Inrikes Tidningar (official Swedish gazette) and by posting the notice on the company's website. The company will place an advertisement in Swedish financial daily Dagens Industri that the notice has been issued.

The Annual General Meeting's mandatory duties include making decisions on:

- Adoption of the income statement and balance sheet
- Appropriation of profits and dividend
- Discharge from liability for the Board of Directors and the Group CEO
- Election of the Board of Directors and auditors
- Determination of fees for the Board members and the auditors
- Nomination Committee

At the Annual General Meeting, decisions are normally made by a simple majority of the votes cast. On certain decision matters, however, the Swedish Companies Act requires a proposal to be approved by a larger proportion of the votes

cast. Extraordinary General Meetings may be held when necessary.

### Annual General Meeting 2018

The 2018 Annual General Meeting was held on 20 April 2018 at Strandvägen 7A in Stockholm. At the meeting, 51.1 percent of all shares and votes were represented. A majority of the members of the Board, the auditor and the Group CEO attended the meeting. In addition to customary matters, the Annual General Meeting resolved to amend the articles of association of the company, *inter alia* to include a possibility to elect the company's auditor for a shorter term than four financial years and make the object of the company more precise to better correspond with the operations of the company. Further the Annual General Meeting resolved to establish an incentive programme involving resolutions on a directed issue and transfers of warrants in the company. The minutes of the meeting, as well as other documentation from the meeting, are available on the company's website.

### Annual General Meeting 2019

The 2019 Annual General Meeting will take place on 26 April 2019, at 2 p.m. at Strandvägen 7A in Stockholm. Notification of the meeting will be issued on the company's website, where requisite documents, such as information providing the basis for decisions, will also be made available prior to the meeting.

### Nomination Committee

The Annual General Meeting determines how the Nomination Committee should be appointed. At the 2018 Annual General Meeting, it was decided that the Chairman of the Board of Directors is to contact the three largest shareholders in terms of votes based on Euroclear Sweden AB's list of registered shareholders on the last business day of August. The three largest shareholders will be given the opportunity to elect one representative each to form the Nomination Committee along with one of the members of the Board of Directors who is independent in relation to the Company's management. If any of these shareholders chooses to waive their right to elect a representative, their right is transferred to the shareholder who, after these shareholders, has the largest share ownership. In preparation for the Annual General Meeting, the Nomination Committee is tasked with presenting proposals regarding:

- The chairman for the Annual General Meeting
- Number of Board members
- Board members and Chairman of the Board
- Board remuneration
- Possible remuneration for committee work
- Auditors and auditors' fees if such a decision is to be made
- Process for establishing the ensuing Nomination Committee.

The proposals of the Nomination Committee are presented in the notice of the Annual General Meeting and on the company's website. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed under the decision establishing the new Nomination Committee at the 2019 Annual General Meeting.

Member	Appointed by	Independent in relation to the company and its senior management	Share of votes as per 31 December 2018
Ian Livingstone	Richard Livingstone	Yes	16.5%
Peter Ihrfelt (Chairman)	Österbahr Ventures AB	Yes	15.2%
Mats Holmer	Joel Citron	Yes	1%
Cecilia Lager	Board of Directors of Evolution Gaming Group AB	Yes	Nil

### Board of Directors

#### Responsibilities and duties of the Board of Directors

The Board of Directors bears the overall responsibility for the organisation of the company and the management of its affairs and is to work in the interests of the company and all of its shareholders. The mandatory tasks of the Board of Directors include determining the company's overall targets and strategies, evaluating the Group CEO, ensuring that there are systems in place for monitoring and controlling the operations and the risks associated with them, ensuring that there is satisfactory control of the company's regulatory compliance and ensuring that the information issued by the company is characterised by openness and is accurate, relevant and reliable.

#### Instructions and policies

The Board of Directors annually reviews and adopts the following corporate governance related instructions and policies:

- Rules of procedure of the Board of Directors
- Instructions for the Group CEO
- Rules of procedure of the Audit Committee
- Rules of procedure of the Remuneration Committee
- Code of Conduct

## ANNUAL REPORT EVOLUTION GAMING 2018

## Composition of the Board of Directors

The Board of Directors is appointed by the shareholders at the Annual General Meeting for the period until the end of the next Annual General Meeting and, in accordance with the Articles of Association, shall consist of at least three and at most eight members with no deputies. The Annual General Meeting determines the precise number of members.

At the 2018 Annual General Meeting, Jens von Bahr (Chairman), Joel Citron, Jonas Engwall, Cecilia Lager, Ian Livingstone and Fredrik Österberg were elected as members of the Board of Directors. For further details of each Board Member, see page 64.

In addition to being Board Member, Jens von Bahr is also employed by the company as the Executive Chairman. He is not a member of the company's senior management. Under the terms of his employment, Jens von Bahr shall, in addition to, and separately from, his duties as Chairman of the Board, focus on strategic issues and establish and implement the Group's future growth plans in cooperation with the management team, customers and shareholders. As one of the founders of the Group, Jens von Bahr has special insight into the operations and the Live Casino industry and the markets in which the Group operates or may operate in the future. He also has long-term and valuable relationships with

customers and business partners. Consequently, having access to this experience at both the Board level and in the ongoing operations benefits both the company and its shareholders.

As an employee, the Executive Chairman reports to the Group CEO. The division of responsibilities between the Group CEO and the Executive Chairman is well regulated in the Board's rules of procedure and the company's instructions for the Group CEO. Jens von Bahr does not receive any remuneration for his duties as a member of the company's Board of Directors. In accordance with what was communicated in connection with the listing of the company on Nasdaq Stockholm in June 2017, the company expects that Jens von Bahr's employment also will be re-considered in the future but that the intention is that Jens von Bahr's employment as executive chairman shall continue after the annual general meeting 2019.

Fredrik Österberg has previously been employed by the company as Group Chief Strategy Officer but resigned from this position in April 2018.

Member	Fees and salaries 1)			Independent 3)	Attendance 2)		
	Board fee	Committee fee	Salary		Board meetings	Audit Committee	Remuneration Committee
Jens von Bahr			SEK 4,200,000	No/No	14/14		
Joel Citron	EUR 10,000			Yes/Yes	14/14	4/4	1/1
Jonas Engwall	EUR 10,000			Yes/Yes	13/14	3/4	1/1
Cecilia Lager	EUR 10,000	EUR 20,000		Yes/Yes	14/14	4/4	
Ian Livingstone	EUR 10,000			Yes/No	12/14		1/1
Fredrik Österberg	EUR 6,667		SEK 1,200,000	No/No	14/14		

1. Fees refer to the amounts approved by the 2018 Annual General Meeting. For Board Members who are or have been employees, the stated figure refers to annual salary.
2. Attendance refers to meetings during the 2018 financial year.
3. Independent in relation to the company and the company's management/to the largest shareholders.

## Independence

The number of Board members who are independent in relation to the company is four (67 percent) and the number of Board members who are independent in relation to major shareholders is three (50 percent). Ian Livingstone is not independent in relation to major shareholders as he is closely related to the company's largest shareholder Richard Livingstone who owns approximately 16.5 per cent of the shares and votes in the company. Jens von Bahr and Fredrik Österberg together own approximately 15.2 per cent of the shares and votes in the company (through Österbahr Ventures AB) and are therefore not independent in relation to major shareholders. Since Jens von Bahr is employed by the company as Executive Chairman and Fredrik Österberg has been employed by the company during the previous year they are also not independent in relation to the company or its senior management.

A Board member may not take part in decisions where a conflict of interest may exist. This comprises decisions regarding agreements between a Board member and the company, agreements between the company and third parties in which the Board member has a material interest that could constitute a conflict of interest for the company, as well as agreements between the company and the legal entity that the Board member represents.

## Working procedures and meetings

In addition to laws and recommendations, the work of the Board of Directors is governed by its rules of procedure. The rules of procedure have been adopted by the Board of Directors and include instructions concerning, among other things, Board meetings and their contents, the division of duties within the Board and information to the Board.

### Chairman of the Board in 2018

The Chairman of the Board is appointed by the Annual General Meeting. Jens von Bahr was elected Chairman of the Board by the 2018 Annual General Meeting for the period until the end of the next Annual General Meeting. Jens von Bahr is the Executive Chairman of the Board, meaning that he is employed by the company. See the Composition of the Board of Directors section for further details of what this employment entails.

The Chairman's role is to organise the work of the Board so that it is run efficiently and generates conditions for optimum performance of the Board's commitments.

### Work of the Board of Directors in 2018

The Board of Directors held 14 meetings in 2018, of which one was a statutory meeting, three to approve interim reports and one to approve the year-end report. The Board of Directors was in full attendance at all meetings except two, for further information see table on page 56. All meetings

followed an agenda that, on relevant points, was addressed with documentation provided to members prior to the meetings. As a rule, the meetings are also attended by the company's chief legal counsel as secretary, the Group CEO and CFO.

At each meeting, the Group CEO updates the Board Members on the company's operational and financial development. In addition, various senior executives and the auditor participate if necessary, to present various factual matters. The principal points addressed by Board meetings in 2018 included matters regarding, as well as the approval of the business plan, budget, key policies, and annual, year-end and interim reports.

*The matters addressed by the Board of Directors at the Board meetings in 2018 include:*

- **February**
  - Adoption of proposal for the Annual General Meeting to establish an incentive programme directed towards certain employees of the company
  - Adoption of interim report for the fourth quarter of 2017
- **March**
  - The company's auditor participated in part of the meeting without the presence of CEO or any other member of company management
  - Approval of the annual accounts for 2017
  - Evaluation of the work of the Board of Directors and the Group CEO
  - Approval of the documentation for the 2018 Annual General Meeting
- **April**
  - Decision concerning the new studio in New Jersey, USA
  - Adoption of interim report for the first quarter of 2018
  - Statutory Board meeting
- **July**
  - Adoption of interim report for the second quarter of 2018
- **October**
  - Adoption of interim report for the third quarter of 2018
  - Adoption of various policies
- **December**
  - Approval of 2019 budget

### Assurance of quality in financial reporting

The formal work plan adopted annually by the Board includes detailed instructions about which financial statements and what financial information is to be provided to the Board. The Group CEO is responsible for the Board receiving, in addition to the year-end report, interim reports and annual accounts, regular information about the company's financial performance including its financial position and liquidity. The Board of Directors also examines, primarily through its Audit Committee, the most significant accounting principles applied

## ANNUAL REPORT EVOLUTION GAMING 2018

within the Group in respect of its financial reporting, as well as significant changes in the reporting principles.

All Audit Committee meetings are recorded and the minutes kept available to all Board Members and the auditors.

### Evaluation of the work of the Board of Directors

Through a systematic and structured process, the Board shall annually assess its work and the division of labour between individual members. The Chairman of the Board informs the Nomination Committee of the outcome of the evaluation.

The Board continuously evaluates the work of the Group CEO and Group management. This evaluation shall be discussed at least once a year at a meeting of the Board without the Group CEO or any other member of Group Management being present.

### Remuneration to the Board of Directors

Remuneration to the Board of Directors is proposed by the Nomination Committee, approved by the Annual General Meeting and paid to Board Members who are not employees of the company. At the 2018 Annual General Meeting, it was decided that a fee of EUR 10,000 should be paid to each Board Member not employed by the company. In addition, fees of EUR 20,000 are payable to the chairman of the Board's Audit Committee. No specific compensation is paid for other committee work.

Jens von Bahr is employed by the company and does therefore not receive any Board fee. Jens von Bahr receives an annual salary of SEK 4,200,000 from the company (including applicable retirement benefits and without entitlement to variable compensation). Fredrik Österberg has not received any Board fee during the time he was employed by the company. During the period of 2018 that Fredrik was still employed by the company he received a total salary of SEK 1,200,000 (including applicable retirement benefits and without entitlement to variable compensation). The fees paid to Jens von Bahr and Fredrik Österberg for their respective positions in the company were approved by an Extraordinary General Meeting on 24 January 2017.

### Diversity policy

The company's Board of Directors has adopted a diversity policy applicable to its own composition. According to this policy, the Board of Directors shall, taking into account the company's operations, stage of development and circumstances, be appropriately composed and characterised by versatility and breadth in terms of the expertise, experience and background of the members elected by the Annual General Meeting. The objective is to seek an even gender distribution on the Board of Directors. Evolution considers diversity important in ensuring that Board Members' profiles provide the necessary range of perspectives, experience and skills required to achieve effective governance. In preparing its proposal for the composition of the Board of Directors, the Nomination Committee takes into account the Code and the Board's Diversity Policy, seeking to achieve diversity on the Board of Directors.

### Board committees

The Board of Directors has established a Remuneration Committee and an Audit Committee.

#### Remuneration Committee

The Remuneration Committee consists of Joel Citron (chairman), Ian Livingstone and Jonas Engwall. The Remuneration Committee's duties include preparing the following matters for decision by the Board:

- Salary, other remunerations and pension benefits for the Group CEO
- Salary, other remuneration and pension benefits for the Executive Chairman
- The company's remuneration policy and other terms of employment for the company's senior management
- Share option programmes and similar arrangements, as well as other rewards or forms of compensation referred to, target a wider range of Group employees

The Remuneration Committee shall also monitor and evaluate both current and completed variable remuneration programmes for the company's senior management. In addition, the Committee shall monitor and evaluate the application of guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the company. During 2018, two meetings were held, at which all members attended.

#### Audit Committee

The Audit Committee consisted in the beginning of 2018 of Cecilia Lager (chairman), Joel Citron and Jonas Engwall. Cecilia Lager resigned from the Audit Committee in July 2018. Joel Citron acceded as chairman as from that date and Fredrik Österberg was appointed as a new member of the Audit Committee. The Audit Committee's tasks include:

- Preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the Group
- Monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management
- Regularly meeting the company's auditors and being briefed on the statutory audit, focus and scope of the audit, as well as discussing the coordination between the external and internal audit as well as the view of the risks in the company
- Establishing guidelines for which services, beyond audit services, the company may purchase from the auditors, as well as evaluating and monitoring the independence of the company's auditors and, in connection with this, paying particular attention to whether the auditor provides additional services to the company beyond auditing

- Evaluating the audit and informing the company's Nomination Committee of the outcome of this evaluation.

The Audit Committee shall also organise a selection process to prepare recommendations of auditors to the Nomination Committee when so required by applicable rules and assisting the Nomination Committee in preparing its proposals on auditors and compensation for auditing. During 2018, four meetings were held with full plenary save from one, during which Jonas Engwall was absent.

### **Division of labour between the Chairman of the Board and the Group CEO**

The company has an Executive Chairman working mainly in the following areas: preparing long-term strategic issues beyond the Group CEO's strategic work within current business plans, ongoing evaluation of strategic partnerships and acquisitions, as well as assisting Group Management in strategic projects and in connection with the recruitment of key competencies. The Group CEO's instructions clarify that the duties of the Executive Chairman as an employee should not interfere with the duties of the Group CEO and that the Executive Chairman may not perform any ongoing management tasks. The Board of Directors' rules of procedure state that the work performed by the Chairman of the Board as an employee is separate from, and in addition to, his work as Chairman of the Board. In addition to duties explicitly in line with his employment contract and the Group CEO's instruction, he may not perform any assignments for the company that go beyond the work of the Chairman of the Board, unless approved by the Board of Directors.

### **Auditors**

Auditors are elected by the Annual General Meeting. The auditor shall examine the company's annual report and accounts as well as the management by the board of directors and the managing director. The auditor shall also examine the group accounts, as well as the relationship inter se of group companies. In accordance with the Articles of Association, Evolution shall have one or two auditors. The auditors shall be appointed for the time period until the end of an annual general meeting held not later than during the fourth financial year after the election. The Annual General Meeting held in 2018 re-elected Öhrlings PricewaterhouseCoopers AB as the company's auditors up until the close of the Annual General Meeting held in 2019. The auditor in charge is Niklas Renström, who was born in 1974 and is an authorised accountant.

### **CEO and Group Management**

Evolution's Group Management has extensive experience and works to achieve long-term profitable growth in line with the company's strategy and vision. The Group CEO is appointed by, and receives instructions from, the Board of Directors. In turn, the Group CEO appoints the other

members of Group Management and is responsible for the ongoing administration of the Group in accordance with the Board's guidelines and instructions. The Group CEO reports to the Board of Directors, ensuring that it receives the information needed to make informed decisions. The Group CEO shall also ensure that matters to be addressed by the Board in accordance with applicable legislation, the Articles of Association and internal policies and guidelines are presented to the Board of Directors. The Group CEO attends, and reports to, all Board meetings, except on those occasion when the Group CEO is evaluated by the Board, such as when the Board meets the company's auditor without management attending. Group Management embodies expertise covering all key areas of the company's business and strategy, including the CEO of Evolution's operating subsidiary Evolution Malta Limited. Evolution Malta Limited has a management team that addresses matters related to the operational activities.

### **Working instructions for the Group CEO**

The Board of Directors has developed and adopted instructions covering the Group CEO's responsibilities and tasks, as well as entitlement to represent the company. Within the framework of applicable laws, the Articles of Association, the Board of Director's formal work plan, the Group CEO's instructions and other instructions issued by the Board, the Group CEO is responsible for overseeing the company's day-to-day operations. The Group CEO is also responsible for ensuring that the Board receives information regularly to be able to monitor the company's financial position, financial planning and development. Prior to each regular Board meeting, the Group CEO shall submit information as requested by the Board in assessing the company's financial situation, including reports, metrics, proposed business plan and budget, forecasts, interim reports, financial statements and annual reports.

### **Remuneration to senior executives**

The 2018 Annual General Meeting established guidelines for senior executives for the period up until the Annual General Meeting held in 2019. Senior executives refer to the Group CEO and the management of Evolution and the Group. For information on the composition of Group Management, see page 66-67.

The objective of the guidelines is to ensure that the company can attract, motivate and retain senior executives with the expertise and experience required to achieve company's operating goals. The remuneration shall be based on conditions that are market competitive and at the same time aligned with shareholders' interests. Remuneration to the senior management shall consist of a fixed and, for some senior executives, variable salary. These components shall create a well-balanced remuneration reflecting individual competence, responsibility and performance, both short-term and long-term, as well as company's overall performance.

## ANNUAL REPORT EVOLUTION GAMING 2018

**Fixed salary**

The senior executives' fixed salary shall be competitive and based on each senior executive's individual competences, responsibilities and performance. A review of the fixed salary shall be carried out on an annual basis for each calendar year.

**Variable compensation**

The senior management (however not the board member employed by the company) may receive variable remuneration in addition to fixed salary.

Annual variable remuneration is to be cash based and be based on predetermined and measurable performance criteria for the relevant senior executive aimed at promoting the company's long term value creation. The performance criteria are to be established and documented annually. Depending on the level of performance achieved, annual variable remuneration can vary from no variable payment up to fifty percent of the annual base salary (however, one senior executive is entitled to variable compensation up to a hundred percent of his annual base salary under his existing employment agreement).

**Incentive programmes**

The shareholders' meeting shall be able to decide on long-term share and share-price related incentive programmes directed to, among others, the senior management (however not to board members who are employees of the company). Such incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders and so that a personal holding of shares in the company is promoted. For further information on existing incentive programmes, see page 60.

**Other benefits**

The company provides other benefits to senior executives in accordance with local practice. Such other benefits can include, for example company health care. Occasionally, housing allowance, paid schooling for underage children or travel allowances could be granted.

**Notice of termination and severance pay**

The maximum notice period for senior executives during which salary is paid is 12 months. Severance compensation may be paid in an amount not greater than 12 months' fixed salary.

**Deviations from guidelines**

The Board of Directors may deviate from the above guidelines where special cause exists in an individual case. In the event the Board of Directors deviates from the guidelines, it shall explain the reason for the deviation at the following Annual General Meeting.

**Incentive programmes****2018/2021 programme**

The Annual General Meeting on 20 April 2018 resolved to issue a maximum of 617,702 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 705.30 during the period from the day after the publication of the interim report for the second quarter of 2021 until the date that follows 30 calendar days after the publication of the interim report for the second quarter 2021 (however not later than on 30 September 2021).

If all 617,702 warrants 2018/2021 are exercised for subscription of 617,702 shares, the dilution effect will be approximately 1.7 percent. Upon full exercise of these 617,702 warrants and the 366,669 warrants 2016/2019, which have been transferred to a number of key employees in the group in accordance with a resolution at the 2016 Annual General Meeting (i.e. 984,371 warrants in total), the dilution effect will be approximately 2.7 percent.

**2016/2019 programme**

The Annual General Meeting on 28 April 2016 resolved to issue a maximum of 547,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 354.20 during the period from the day after the publication of the interim report for the second quarter of 2019 until 30 September 2019.

The company's subsidiary, Evolution Malta Limited has subscribed for 547,000 warrants, and Evolution Malta Limited has, in turn, transferred 366,668 of the warrants to a number of key individuals (including consultants) in the company's management and organisation. For warrants acquired at market value, the price (option premium) has been determined using the Black & Scholes valuation model, with the valuation being carried out by PwC.

**Risk management and internal control**

Evolution's control system has been developed to ensure accurate, reliable financial reporting and accounting in accordance with applicable laws and rules, accounting standards and other requirements for listed companies. The foundation of the control environment is defined through policies, routines and manuals, and is upheld with the help of the company's organisational structure with clearly defined responsibilities.

**Control environment**

The Board of Directors bears the ultimate responsibility for an effective system of internal control and risk management being in place. Critical accounting issues and issues related to financial reporting are addressed by the Board and in the Board's Audit Committee. To ensure a well-functioning control environment, the Board of Directors has established a number of policies relevant to corporate governance and financial reporting. These include the Board's rules of

procedure, CEO instructions and reporting instructions for financial reporting. The company also has a financial handbook, which includes principles, guidelines and process descriptions for accounting and financial reporting. At the statutory Board meeting following the Annual General Meeting, a formal work plan is established for the Board and instructions for the work of the Group CEO are determined, in which responsibilities and powers are further defined.

The Board has appointed an Audit Committee, tasked with preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the group, as well as monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management.

The CFO regularly reports to the Audit Committee and works together with the company's finance function to develop and improve the internal control with regards to the Group's financial reporting, both proactively with a focus on the internal control environment, and by reviewing the effectiveness of internal control.

Responsibility for the daily work of maintaining the control environment rests primarily with the Group CEO. The Group CEO reports regularly to the company's Board of Directors.

The Board of Directors in its entirety or any one Board Member together with the Chairman of the Board may sign on behalf of the company. In addition, the company's CFO and CLO together are entitled to sign on behalf of the company.

In accordance with the Swedish Companies Act, the Group CEO may sign alone on behalf of the company regarding duties which the Group CEO is obliged to carry out pursuant to section 29 of the Swedish Companies Act.

## Risk assessment

The Group has established a Risk Management Committee, in which representatives of various relevant parts of the organisation meet quarterly to assess, discuss and mitigate potential risks. The Group has also adopted procedures and established internal risk management control systems, including an annual risk analysis for all business areas within the Group, where the purpose is to identify, evaluate and manage risks threatening the Group's objectives and strategies. The risk analysis is divided into strategic, operational, compliance, legal and financial risks. To ensure a relevant level of control, each business area has established a number of control activities counteracting the most significant risks identified in the risk analysis. A self-assessment of these control activities is performed annually and reported to the Risk Management Committee, which compiles and evaluates the results and reports to the Audit Committee and the Board of Directors.

## Risk assessment directly related to the provision of gaming services

As certain jurisdictions have laws that explicitly consider the offering of, and participation in, gaming services conditional on particular licences or a criminal offence, the Group continuously undertakes precautionary measures, including Know Your Customer (KYC) checks of licensees and requiring, in its agreements, that operators comply with the laws and regulations applicable to them.

These provisions in the agreements constitute a form of legal protection and prevent certain end users from accessing the Group's products and services. The Group's customers (i.e. the casino operators) are responsible for the end users' access to their online gaming platforms at the local level and in accordance with local laws and regulations.

## Monitoring

Monitoring of control activities is conducted continuously to ensure that risks have been satisfactorily observed and addressed. This includes tracking of results in relation to budget and plans, analyses and key figures. The Board of Directors continuously evaluates the information provided by the company's management team. The process includes both reconciliation of monthly financial reports against budgets and goals and reporting at Board meetings. Through the Audit Committee, the Board of Directors reviews and assesses the internal control organisation and function. The company's policies and instructions are evaluated and updated annually at a minimum or when needed.

The company's CFO presents the results of internal control work as a standing agenda item at Audit Committee meetings. The results of the Audit Committee's work in the form of observations, recommendations and proposals for decisions and measures are continuously reported to the Board of Directors.

## Information and communication

The company has information and communication channels to promote the accuracy of the financial reporting and to facilitate reporting and feedback from the operations to the Board of Directors and the Group Management, for example by making governing documents such as internal policies, guidelines and instructions regarding the financial reporting available and known to the employees concerned.

The company is subject to the provisions of the EU Market Abuse Regulation No. 596/2014 (MAR). MAR sets out requirements on how inside information is to be published to the market, under which conditions the disclosure may be delayed and in what way the company is obliged to keep a list of persons working for the company and who has access to inside information. The company has assigned a digital and semi-automated tool to ensure that its handling of inside information meets the requirements of MAR and its insider policy. Only authorised persons in the company have access to the tool.

**ANNUAL REPORT EVOLUTION GAMING 2018**

The company's financial reporting complies with Swedish laws and regulations and the local rules in each jurisdiction where operations are conducted. The company's information to shareholders and other stakeholders is provided through the interim reports, press releases and annual report according to the Group's Communication Policy.

**Internal audit**

The company has no separate review function (internal audit). The Board does not consider there to be special circumstances in operations or other conditions that would warrant such a function.

## ANNUAL REPORT EVOLUTION GAMING 2018

**Note 2. Revenues**

The CEO of the Group considers the Group to consist of a single segment, i.e. the provision of solutions for Live Casino and associated services to gaming operators.

As a B2B supplier, Evolution has customer relationships to the gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas.

The table opposite shows the geographic markets from which end-users originate, based on the operators' gross gaming revenues (GGR) via Evolution's platform.

(2) End user data based on generated GGR for the gaming operators via Evolution's platform

% of GGR	2018	2017
Nordic	9%	9%
UK	15%	18%
Rest of Europe	50%	55%
Rest of World	25%	18%
<b>Total</b>	<b>100%</b>	<b>100%</b>

As per IFRS 15 requirements, new reporting has been implemented — revenue recognition over period of time and point of time, as well as liabilities related to contracts with customers. There were no assets related contracts with customers during reporting year.

**2 (a) Disaggregation of revenue from contracts with customers**

(EUR thousands)	Sweden		Malta		Latvia		Georgia		North America		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenues	6,195	6,194	244,528	217,548	92,631	73,681	6,266	824	6,786	1,076	58,407	33,325	414,813	332,647
Intercompany revenues	-6,195	-6,194	-44,419	-63,121	-92,614	-73,364	-6,195	-824	-6,785	-1,076	-13,187	-9,684	-169,395	-154,262
<b>Revenue from external customers</b>	<b>0</b>	<b>0</b>	<b>200,109</b>	<b>154,427</b>	<b>17</b>	<b>317</b>	<b>71</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>45,220</b>	<b>23,641</b>	<b>245,418</b>	<b>178,385</b>
Timing of revenue recognition	0	0	6,026	742	9	1	65	0	1	0	1,006	8	7,107	751
At a point of time														
Over time	0	0	194,083	153,685	8	316	6	0	0	0	44,214	23,633	238,311	177,634
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>200,109</b>	<b>154,427</b>	<b>17</b>	<b>317</b>	<b>71</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>45,220</b>	<b>23,641</b>	<b>245,418</b>	<b>178,385</b>

**2 (b) Liabilities related to contracts with customers**

(EUR thousands)	Sweden		Malta		Latvia		Georgia		North America		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Opening balance	0	0	1,182	348	6	6	0	0	0	0	20	0	1,208	354
Revenues recognised from opening balance liabilities	0	0	-1,182	-348	0	0	0	0	0	-21	0	-1,203	-348	
Liabilities recognised	0	0	7,746	4,983	11	0	0	0	0	2,242	20	9,999	5,003	
Revenues recognised	0	0	-7,235	-3,801	0	0	0	0	0	-1,951	0	-9,186	-3,801	
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>511</b>	<b>1,182</b>	<b>17</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>290</b>	<b>20</b>	<b>818</b>	<b>1,208</b>	

# **EXHIBIT 4**



**Evolution  
Gaming**

**ANNUAL REPORT  
2019**

## Table of contents

The year in brief	02
Group CEO comments	04
<b>STRATEGIC REPORT</b>	
Our business model, vision and strategy	08
Our strategy for growth	10
Our marketplace	12
Our operations	14
Our global studios	16
Case study: Game Integrity and Risk	18
Case study: Live Game Shows	20
Our world-leading Live Casino games portfolio	22
Our growing customer base	30
A unique record of innovation and growth	32
The Evolution share	34
<b>SUSTAINABILITY REPORT</b>	
Sustainability report	37
Sustainability aspects in Evolution's operations	40
Our people	41
Our societies	42
Environment	43
Diversity	44
Responsible gaming	45
Ethical business practices	46



## GOVERNANCE

Directors' report	50
Corporate governance report	56
Our Board of Directors	66
Our group management team	68

## FINANCIAL STATEMENTS

Financial reports	72
Notes	81
Declaration by the Board of Directors	106
Auditor's report	107
Glossary and definitions	112

## Our growing customer base

Evolution's customer portfolio includes a large amount of online operators, platform providers and a growing number of land-based casinos. The main growth will derive from the existing customer portfolio, since operators generally extend the scale of their live offerings. Evolution can also follow existing customers into new markets.



### Customer portfolio

Evolution's customer portfolio, including Ezugi, consisted of over 300 customers at the end of 2019 and comprises online operators and land-based casinos. The online operators can be divided into sportsbook operators and online gaming operators. Sportsbook operators focus primarily on games and betting on various sports, but they also offer casino products, where the conversion between Live Casino and live betting is high. Sportsbook operators often run successful campaigns and specific activities within the framework of their live offerings in connection with major sports events.

Online gaming operators often provide a broad portfolio of RNG games, such as slots, as well as casino games with Live Casino comprising a crucial role to differentiate the offering from other operators.

The land-based casinos have begun to a greater extent to expand online and Evolution strives to be the natural partner in this transition. At the end of 2019, Evolution's customer portfolio included over 30 (12) land-based casinos.

In addition to customers for whom Evolution provides direct integration, there are also several platform partnerships in which the company's Live Casino product forms part of a total solution with several product verticals.

### New customers in 2019

Evolution announces all new customers classified as Tier 1, i.e. customers of strategic, financial or other significance.

In 2019, agreements were signed with Lotoquebec.com, DraftKings, Grand Casino Baden, Planetwin365, Greentube, Stoiximan/Betano Group, Penn National Gaming, and Flutter Entertainment brands Paddy Power and Betfair.

### Growth among existing customers

A key aspect of the company's strategy is to increase its Live Casino share of online casino among existing customers via new product launches, services and adaptations. Evolution also follows existing customers to new regulated markets, such as the USA. 2019 was yet another record-breaking year in terms of the number of dedicated tables and environments, and many customers chose to expand with more environments with different content and themes.



## Customer dependency

Although a majority of Evolution's largest customers have strengthened their focus on Live Casino in recent years, the company has managed to decrease its dependency towards its largest customers through add-on sales to other existing customers and new sales. Evolution's largest customer accounted for approximately 6 (7) percent of revenues in 2019, and the five largest customers accounted for roughly 27 (32) percent of revenues.

### Customer dependency (% of revenues)

Year	2017	2018	2019
Top 1-5	38%	32%	27%

## Risk assessment for new customers

As a B2B provider, Evolution's revenues are generated via gaming operators and casinos. The company has stringent monitoring processes in place to detect attempts at fraud and money laundering, but it is the operators that handle all monetary transactions with their end users.

To satisfy regulatory requirements and further minimise the risks, the company has established due diligence processes for when new agreements are signed and to continually evaluate existing customers. Evolution is always able to discontinue its services to operators that fail to comply with the relevant regulations, or that in some other way jeopardise Evolution's market position and/or gaming licences.

# Directors' report

The Board of Directors and the Group CEO of Evolution Gaming Group AB (publ) 556994-5792 ("Evolution") hereby present the annual accounts for the Group and the Parent Company for the 2019 financial year.

## Operations

Evolution develops, produces, markets and licenses fully integrated Live Casino solutions to gaming operators. In Live Casino, a game presenter, i.e. dealer, runs the game from a casino gaming table that is followed in real time via a video stream. End users, i.e. the players, make betting decisions on their devices (computers, smartphones, tablets, etc.).

Evolution is a B2B supplier and, at the end of 2019, the Group had approximately 300 customers, including a majority of the foremost online casino operators in Europe and the USA as well as a number of land-based casinos. The operators market the products to the end users.

Evolution's Live Casino platform is unique in its kind and covers all aspects required by a gaming operator – from the recruitment and training of game presenters and other staff to streaming, production, supervision, customer services and follow-up. Operators are offered a fully customised solution with a high degree of adaptability such as standard and VIP tables, control of how the environment looks and dedicated dealer teams. The Company has a broad portfolio of core games including both classic table games and new innovative casino games. Various game derivatives are also available, i.e. variations of the core games with new technical solutions and new content.

Evolution has production studios in Riga, Latvia, Tbilisi, Georgia and Fort Mriehel, Malta, where a majority of the operations are conducted. In addition, the Company has studios in Atlantic City, USA and Vancouver, Canada. The Company also runs on-premise studios at land-based casinos in Belgium, Romania, the UK and Spain. The Parent Company of the Group is located in Stockholm, Sweden.

Evolution's revenues consist of fixed and variable consideration from the Company's customers. A majority of the revenue derives from commission, which is calculated as a percentage of the customer's profit generated by the Company's Live Casino platform. Through commission, Evolution gains beneficial exposure to the general growth of the European Live Casino market. In addition to commission, a proportion of the Company's revenue derives from fees for dedicated tables. These are invoiced to customers who have chosen to offer their end users dedicated tables.

## Business concept and vision

Evolution's business concept is to offer gaming operators in regulated markets an unparalleled, locally adapted Live Casino service for all digital platforms. Its mission is to make operators successful and provide an excellent gaming experience for their end users. Evolution's vision is to be the leading Live Casino provider in the world.

## Significant events in 2019

- Launch of 10 new games, including titles in the unique Game Shows category
- Investments in studios throughout the year to meet global demand for Live Casino
- Agreements with several new key operators globally including deals with Flutter Entertainment's brands Paddy Power and Betfair, Intralot, Stoiximan/Betano Group and Penn National in the USA
- Acquisition of the Live Casino operations of Ezugi
- The Board proposes a dividend of EUR 0.42 per share (0.24).

## Market

The European Live Casino market developed strongly in 2019 and, according to independent institute H2 Gambling Capital, it had an estimated value of EUR 2,159 (1,557) million at year-end. The North American Live Casino market had an estimated value of EUR 179.5 (126.9) million at year-end. Just like the total online gaming market, this development is underpinned by technological progress and new distribution channels, as well as strong demand from gaming operators and their end users. Live Casino has traditionally been an add-on product in operators' online casino interface, but it has now become an integrated and strategically important product since it provides opportunities for brand differentiation.

The growth of Live Casino is also underpinned by new regulated markets. As players in such markets are less used to online gaming, there is generally less confidence in games based on random number generators. Human game presenters who speak the local language improve confidence. Live Casino has therefore turned out to be a good entry-level product when gaming operators launch their brands in new markets.

The tendency among land-based casinos to expand their offering online has contributed to the strong growth of Live Casino.

Evolution has a leading position among Live Casino operators in Europe. The Company intends to continue strengthening its leading position in the market by having a clear focus on activities that promote the business and the offering. The Company envisages the greatest growth coming from an increased proportion of Live Casino revenue from the operators' total casino revenues. The three strategic core areas — product innovation, customer optimisation and operational excellence — are considered to be of particular importance for a continued expansion of the advantage held compared to other players in the market and the creation of a stable foundation for continued growth.

## New agreements and customers

In 2019, agreements were signed with, for example, Flutter Entertainment's brands Paddy Power and Betfair, Intralot, Stoiximan/Betano Group and Penn National in the USA. Agreements were also concluded with a number of smaller operators and platforms, while many existing agreements were expanded to cover additional services and tables.

## Revenues and profit

### Revenues

Evolution's total operating revenues amounted to EUR 365.8 million (245.4) in the financial year ending on 31 December 2019. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

### Expenses and profit

Total operating expenses amounted to EUR 208.3 million (155.9). The Company's personnel expenses rose to EUR 126.4 million (97.7), mainly driven by higher expenses for personnel in connection with the launch of new tables in the Company's studios.

Depreciation, amortisation and impairments amounted to EUR 25.5 million (18.2), an increase explained primarily by the expansion of the Company's studios. Other operating expenses rose to EUR 56.4 million (40.1), driven by expenses for premises, consumables and communications. Operating profit for the year amounted to EUR 157.5 million (89.5) with an operating margin of 43.1 percent (36.5).

Financial items only had marginal impact on the profit and amounted to EUR -0.2 million (-0.2).

The Group's effective tax rate for the year amounted to 4.8 percent (6.6). The effective tax rate is chiefly affected by the countries in which Evolution conducts operations and generates profit, which may vary between reporting periods. Profit for the year amounted to EUR 149.7 million (83.5).

## Investments

On 9 January 2019, Evolution acquired the business of live dealer gaming provider Ezugi (consisting of five legal entities) for a consideration of USD 12 million and possible additional consideration of a maximum of USD 6 million. See also Note 25.

The Group's investments in intangible assets amounted to EUR 11.2 million (15.3) in 2019. Investments in intangible assets refer to the development of new games and technical improvements of the platform, such as new functionality. Development projects during the year included the development of new games that will be launched in 2020, but also exclusive content rights.

Investments in property, plant and equipment amounted to EUR 19.0 million (17.9). Investments in property, plant and equipment primarily comprised new studio space and premises, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

Investments in computer equipment were also made to meet needs in connection with the organisation's expansion, as well as in studio equipment in the Company's production studio.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 175.8 million (100.0) over the year. The increase is primarily due to an improved profit. Cash flow from investing activities was negative in the amount of EUR 42.5 million (negative 31.6). A description of the investing activities is provided in the Investments section above. Cash flow from financing activities was negative in the amount of EUR 36.1 million (negative 32.6) and primarily consisted of a transfer to the shareholders. Cash and cash equivalents amounted to EUR 182.5 million (85.0) at year-end.

### Employees

As of 31 December 2019, Evolution employed 7,828 (5,847) people, corresponding to 5,554 (4,319) full-time equivalents. The average number of full-time equivalents for the full-year was 4,894 (3,529).

### Employees and sustainability

Evolution's sustainability work is described in detail on page 37-46.

### Guidelines for remuneration and other employment terms for the Group management team

The total remuneration for senior executives is to be in line with market norms and competitive in order to attract, motivate and retain key individuals.

### Parent Company

The Parent Company is a holding company that was formed in December 2014. Operating revenues for the 2019 full-year amounted to EUR 7.1 million (6.2) and expenses to EUR 6.8 million (6.0). Operating profit amounted to EUR 0.2 million (0.2). Profit for the period amounted to EUR 99.5 million

## ANNUAL REPORT EVOLUTION GAMING 2019

(74.8). The Parent Company's cash and cash equivalents amounted to EUR 1.1 million (0.5) at the end of the year and equity amounted to EUR 343.6 million (275.7). No significant investments were made in intangible or tangible assets. During the year, the Company received dividends from the Maltese subsidiary amounting to EUR 100.0 million (75.0).

## Risk factors

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, sustainability and financial risks. When assessing the Company's future development, it is important to take into account the risk factors alongside any opportunities for profit growth. The risk factors are not set out in any particular order, importance or potential impact on the Group's revenue, profit or financial position.

Neither should these be seen as exhaustive, but rather as representing risks that are applicable to Evolution and that are monitored and evaluated by the Group management. In addition, the risks below are not the only risks to which the Group may be exposed. The Company may be unaware of certain risks. Financial risks are described in Note 23 Financial risk management.

## Political decisions and other legal aspects

Evolution generates a majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate and/or re-regulate the gaming industry. Direct enforcement actions may be taken against a member of the Group or any of its officers or directors, particularly in instances where the provision of the Group's services to a gaming operator is critical to the underlying gaming transactions. Should any of these events occur, the impact could have a material adverse effect on Evolution's business, financial position and profit.

Although the gambling laws and regulations of many jurisdictions do not specifically apply to the supply of services by licensors of gaming software, certain jurisdictions have sought to regulate or prohibit the supply of such services. While Evolution currently holds all licences and certifications deemed necessary to carry out its business, national gambling laws are under review and changing in European countries. The Company may be subject to such laws, directly or indirectly, insofar as it supplies services to customers that are subject to such laws. Changes in the regulatory frameworks of different jurisdictions could impact the Group's business in that such changes may lead to an increase in the number of market participants and competitors, result in customers losing their licences and permits to operate in such jurisdictions or break up monopolistic gaming operators, which could impact the Group's underlying contractual relationships.

Further, many jurisdictions have not updated their laws to address the supply of remote gaming services from other countries, and courts may interpret older legislation unfavourably or determine that the activities of the Group and/or its customers are illegal. For example, a court or regulator may order that certain equipment be located in the jurisdiction in which products and services are offered, which could materially and adversely impact Evolution's operations and the business of its customers. Furthermore, several European countries have introduced, or are in the process of introducing, new online gaming regulations, which will require online gaming operators, and in some cases even providers, to hold, e.g., a country specific licence, pay gaming taxes, operate from a country domain and report gaming statistics in order to bring operators (and end users) under supervision. Although Evolution monitors the regulatory environment, legislation could be interpreted in an unfavourable or unanticipated manner. If regulatory or enforcement actions are brought against any of Evolution's customers, the Group's revenue streams from such customers may be frozen or traced by authorities, even if no Group entity is made a party to any legal proceedings against such customers. As a result, end users may face problems transferring funds in and out of certain jurisdictions, which may impact payments to gaming operators and hence Evolution.

In addition to gaming laws and regulations, Evolution is subject to a wide variety of laws and regulatory requirements. For example, the Group must comply with anti-money laundering regulations, market abuse regulations, data protection and privacy regulations (including GDPR), and is required to share bet and other transactional data with local regulators in certain markets. Compliance with all such laws and regulations laws is complex and expensive. The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could result in sanctions. Any failure by Evolution to comply with these other laws and regulatory requirements could have a material adverse effect on the Group's business, financial position and profit.

## Operations subject to official approval

Evolution has obtained and is obliged, given the nature of the software, services and technology it supplies, to maintain its licences and certifications in a number of jurisdictions, and may in the future be required to obtain licences and/or certifications in other jurisdictions. If any of these are withdrawn or are not renewed on equivalent terms (e.g. where there is a change in view as to what equipment needs to be located locally), the Company may not be able to continue to operate and offer services in certain jurisdictions. Additionally, to the extent that Evolution is unable to obtain requisite licences and/or certifications in jurisdictions, particularly with respect to jurisdictions that fall within or are comprised of newly regulated markets, the Company may not be able to follow customers into these jurisdictions and newly regulated markets. In such an event, customers may turn to competitors

that are licensed and/or certified in the applicable jurisdiction, or that become licensed and/or certified before Evolution does. Any failure to renew or obtain any such licence or certification could have a material adverse effect on the Group's business, financial position and profit.

Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change. Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions, such as the requirement to establish real-time data interfaces with the local regulator or pay retrospective taxes as a condition for the granting of a licence to operate in a particular jurisdiction. If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, the Company's growth strategy and customer base could be adversely impacted.

#### **Disruptions to operations and information security breaches**

Evolution's ability to provide its software to gaming operators depends upon the integrity, reliability and operational performance of its systems. The functioning of the IT systems within the Group's operations, or that of its providers or partners, could be disrupted for reasons beyond its control. Furthermore, there may be technological challenges in rolling out new products and services.

Any such disruption or event may lead to customer claims against the Group or otherwise negatively impact the Group's ability to sell products and services to its customers due to reduced confidence. Any interruption in the systems could have a negative effect on the quality of products and services offered by Evolution and, as a result, on demand from customers and their end users. The Group's success depends, in part, on providing secure products and services to customers for use by their end users. Attempts to penetrate security measures may come from various combinations of customers, end users, employees and others. The Group's IT systems are ISO-27001:2013 certified and the ability to monitor and ensure the quality and integrity of Evolution's products and services is continuously reviewed and evaluated.

#### **End users**

Although Evolution does not provide its services directly to end users, people who play Live Casino games with an operator via the Company's platform could sue the Company in its capacity of a developer and facilitator of games. While such claims against Evolution are likely to be dismissed, they could give rise to expenses and reduce confidence in the Group or impact its customers.

#### **Dependence on key personnel and skilled employees**

The majority of Evolution's employees operate, organise and oversee operations at the gaming tables. Approximately 80 percent of the Group's full-time employees work on tables as hosts and dealers. These employees possess language, dealer and other trade skills that are essential to the day-to-day operations. Evolution aims to be an attractive employer and invests significantly in the training and development of its staff. In the ordinary course of operations, the Company experiences employee turnover with respect to employees working on tables, and such turnover can at times be significant. The loss of a significant number of its employees or any of its key employees, or any increased expenses that the Group may incur in order to retain any such employees or hire and train new employees, could have a material adverse effect on the Group's business, financial position and profit.

In addition, Evolution's business is dependent on a number of key individuals, senior executives and persons with specialist skills. These key individuals have established good relationships with market participants and have a thorough understanding of the complex environment in which the Group operates. Accordingly, these key individuals are central to the successful development of Evolution's business. If any of these individuals terminate their relationships with the Group, or materially change or reduce their roles within the Group, Evolution may not be able to replace them or their services on a timely basis with other professionals capable of making comparable contributions to operations.

#### **Dependence on major customers**

In 2019, the top five customers (in terms of revenue generated) contributed 27 percent of Evolution's revenue.

The Group's revenue stream from these sources may be adversely impacted by any deterioration or decline in the business of these five customers, or if one or more of these customers opted to use a competitor of the Company for its Live Casino solutions. The reduction in revenue generated from, or loss of, one or more of these five customers could have a material adverse effect on the Group's business, financial position and profit.

#### **Counterparty risk**

Evolution is subject to counterparty risks, primarily the risk of payment default by operators. Although the Group conducts credit checks for new customers and has historically experienced low levels of payment default by its customers, the rate of customer default may rise or increase in the future. In particular, such risk may increase if Evolution were to expand into new markets where customers are less financially stable. Any payment defaults by operators could have a material adverse effect on the Group's business, financial position and profit.

## Competition

Evolution operates in a competitive industry. Competition is expected to continue to intensify as new Live Casino providers enter the market and existing providers improve and expand their product and service offerings. If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit. The Company's objective is to strengthen its leading market position and retain existing and attract new customers by developing its successful Live Casino platform further while focusing on a number of areas considered to be of strategic importance for continued growth.

## Intellectual property rights

Evolution's ability to compete effectively depends, amongst other things, on its ability to protect, register and enforce its intellectual property rights. The Group also faces the risk that the use and exploitation of its intellectual property rights, including, in particular, rights relating to its software, may infringe the intellectual property rights of a third party. The expenses incurred in bringing or defending possible infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Company may result in royalties or damages being payable and/or the Company being required to cease using any infringing intellectual property or embodiments of any such intellectual property. The Group is also dependent on know-how and trade secrets, and it strives to protect such information by, for example, maintaining confidentiality agreements with employees, consultants and partners.

However, it is not possible to ensure total protection against unauthorised distribution of information and competitors, and others may gain access to such information, which may lead to the value of such information diminishing or competitors gaining an advantage, which in turn could have a material adverse effect on the Group's business, financial position and profit.

## Shares and ownership

A detailed description of Evolution's shares and ownership can be found on page 35.

## Risk management

Evolution is exposed to the risk of money laundering and fraudulent activities by its customers, end users and third parties, as well as the potential collusion by operators and end users. The Group has implemented internal control systems and established a primary mission control centre in Latvia that monitors transactions, volumes and patterns, but these systems may not always succeed in protecting the Group from money laundering and fraud. To the extent that the systems are not successful in protecting the Group from money laundering or fraud, or if Evolution fails to comply with applicable regulations, the Group and its directors could be subject to criminal sanctions or administrative and civil fines

and could directly suffer loss, the revocation of concessions and licences, operational bans, or lose the confidence of the customer base, all of which could have a material adverse effect on the Group's business, financial position and profit. In addition, effective internal controls are necessary for Evolution to provide reliable financial information and effectively prevent fraud. While the Group applies procedures and a system of internal control whereby internal risks are assessed, and the Group's Risk Committee meets on a quarterly basis to discuss and address potential risks, it is possible that the Group will not successfully manage internal risks or identify areas requiring improvement in the internal controls.

## Tax situation

Evolution primarily conducts its business through subsidiaries that are active in the geographic markets in which it operates. The business, including intra-Group transactions, is conducted in accordance with the Company's interpretation of applicable laws, tax treaties and other regulations concerning taxes and the practice of tax authorities in the relevant countries.

Evolution has obtained advice from independent tax advisors in this respect, but there is a risk that tax authorities in relevant countries may make decisions that deviate from the Group's interpretations and the advice received from independent tax advisors. In addition, the Group's interpretation of applicable laws, tax treaties, regulations and administrative practice may be incorrect and such rules may change, possibly with retroactive effect (in particular with regard to Maltese VAT legislation and the right of companies to deduct VAT). Furthermore, the Company has been advised that, to the extent that an individual ordinarily resident and domiciled in Malta acquires 5 percent or more of the Company, although the tax refunds in Malta should not be limited, certain Maltese withholding tax obligations may be imposed in respect of dividends attributable to such individuals. Regulatory or legislative changes, or decisions by tax authorities, may impair the present, future or previous tax position of Evolution, which could have a material adverse effect on the Group's business, financial position and profit.

## Expectations regarding future development

The company's future development is mainly dependent on the development of the Live Casino market. Evolution's medium to long-term objective is to grow faster than the total European Live Casino market.

## Proposed appropriation of profits

The Board of Directors proposes that the 2020 Annual General Meeting approve the transfer to shareholders of EUR 76,139,585 (43,164,452), corresponding to EUR 0.42 (0.24) per share.

### The following earnings are at the disposal of the Annual General Meeting

Statutory reserve	243,577,075
Profit for the year	99,453,475
<b>Total</b>	<b>343,030,550</b>

### The Board of Directors proposes the following appropriation

Dividend to shareholders	
EUR 0.42 per share (181,284,725 x 0.42), totalling*	76,139,585
To be retained	266,890,966
<b>Total</b>	<b>343,030,550</b>

\*Deducted the 338,000 shares held by the company itself.

## Statement by the board of directors on the proposed allocation of profits

With reference to the above and to what has otherwise come to the Board of Directors' knowledge, the Board of Directors believes that a comprehensive assessment of the Parent Company and the consolidated financial position indicated that the dividend is justified taking into account the demands that scope and risks of the operations place on the scope of equity in the Parent Company and the Group and on the consolidation needs, liquidity and financial position in other regards of the Parent Company and the Group.

## Events following the balance sheet date

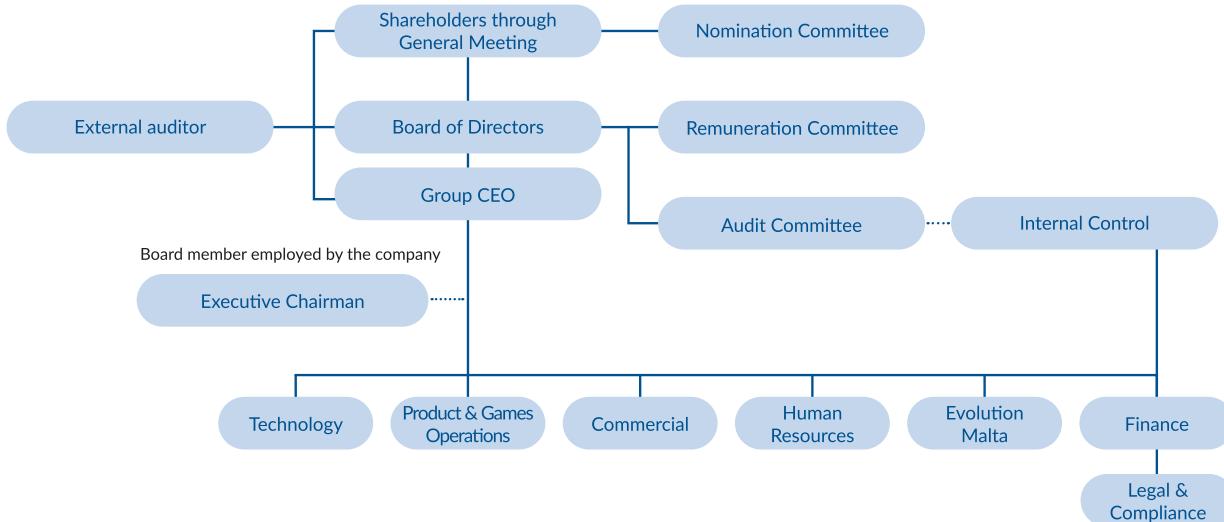
- 12 new game titles launched at ICE London (International Casino Exhibition) Gaming Fair 2020
- Extra General Meeting was held on 16 January 2020 – resolved on the establishment of an incentive programme as well as on authorisation for the Board of Directors to resolve to issue shares, warrants and convertible debt. See also Note 22 and the Corporate governance report
- The Group's and the Parent Company's positions as of 31 December 2019 and the profit of the operations for the 2019 financial year are stated in the following income statements and balance sheets, cash flow statements, statements of changes in equity and notes to the financial statements
- The spread of the Coronavirus is effecting societies and companies all over the world. Financial effects are difficult to quantify at this early stage. Evolution employs over 8,000 persons and most of our games require staff on site in the studio to operate the game. Risks for Evolution include, shortage of staff due to increased sick-leave or government restrictions on traveling to and from the workplace. Due to the digital nature of our products restrictions on physical movements in society do not effect how operators and players can access our products

- The Company has, during the period 16 March 2020 – 17 March 2020, acquired a total of 338,000 own shares within the framework of the repurchase programme introduced by the Board of Directors to improve the capital structure of Evolution by reducing the capital, and thereby creating added shareholder value.

# Corporate governance report

Evolution Gaming Group AB (publ) ("Evolution") is a Swedish public limited company that was formed in December 2014 and that is listed on the Nasdaq Stockholm exchange. Evolution complies with all applicable statutes and regulations, including the Swedish Companies Act, EU Market Abuse Regulation, the Swedish Code of Corporate Governance (the "Code") and other regulations and Nasdaq Stockholm's Rule Book for Issuers. The current Code is available at the Swedish Corporate Governance Board's website [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

## Evolution's corporate governance model



## Ownership and voting rights

At the end of 2019, the share capital in Evolution amounted to EUR 544,868.175, divided between a total 181,622,725 shares with a nominal value of EUR 0.003 each. All shares belong to the same class of shares, with equal voting rights (one vote per share) and shares of the company's capital and profit. On 31 December 2019, there were 17,860 shareholders. At the same point in time, the company's largest shareholders were Richard Livingstone with 16.4 percent of the share capital and votes, and Jens von Bahr as well as Fredrik Österberg (through Österbahr Ventures AB) with 15 percent of the share capital and votes.

The ten largest shareholders represented 54.2 percent of the share capital and votes. Further information about the company's share and shareholders is presented under "The Evolution share" on page 34 and on the company's website.

## General Meetings

The Annual General Meeting is Evolution's highest decision-making body, at which shareholders exercise their influence on the company. All shareholders registered in the company's CSD register who notify the company in time of their attendance are entitled to attend the General Meeting and vote for all of their shares. The company's Annual General Meeting is held in the spring. The date and venue are announced in connection with the third interim report at the latest.

Information on how shareholders can have a matter considered at the Annual General Meeting in the following year, and when, at the latest, such a request must be received is detailed on the company's website in connection with the publication of the third interim report at the latest. Notice of the Annual General Meeting is published no later than four weeks prior to the meeting through an advertisement in Post-och Inrikes Tidningar (official Swedish gazette) and by posting the notice on the company's website. The company will place an advertisement in Swedish financial daily Dagens Industri that the notice has been issued.

The Annual General Meeting's mandatory duties include making decisions on:

- Adoption of the income statement and balance sheet
- Appropriation of profits and dividend
- Discharge from liability for the Board of Directors and the Group CEO
- Election of the Board of Directors and auditors
- Determination of fees for the Board members and the auditors
- Nomination Committee.

At the Annual General Meeting, decisions are normally made by a simple majority of the votes cast. On certain decision matters, however, the Swedish Companies Act requires a proposal to be approved by a larger proportion of the votes cast.

Extraordinary General Meetings may be held when necessary.

### Annual General Meeting 2019

The 2019 Annual General Meeting was held on 26 April 2019 at Strandvägen 7A in Stockholm. At the meeting, 63.57 percent of all shares and votes were represented. A majority of the members of the Board, the auditor and the Group CEO attended the meeting. Chairman of the Board, Jens von Bahr, was prevented from attending the 2019 Annual General Meeting, which is declared as a deviation from rule 1.2 in the Code.

In addition to customary matters, the Annual General Meeting resolved to authorise the Board of Directors to decree on buybacks and transfer of the company's own shares in accordance with stipulated terms. Further, the Annual General Meeting resolved on a share split of each incumbent share into five shares (5:1) and, as a consequence, amendment to the article of association with regards to the delimitation of number of shares in the company. The minutes of the meeting, as well as other documentation from the meeting, are available on the company's website.

### Annual General Meeting 2020

The 2020 Annual General Meeting will take place on 24 April 2020, at 2 p.m. at Strandvägen 7A in Stockholm. Notification of the meeting will be issued on the company's website, where requisite documents, such as information providing the basis for decisions, will also be made available prior to the meeting.

### Nomination Committee

The Annual General Meeting determines how the Nomination Committee should be appointed. At the 2019 Annual General Meeting, it was decided that the Chairman of the Board of Directors is to contact the three largest shareholders in terms of votes based on Euroclear Sweden AB's list of registered shareholders on the last business day of August. The three largest shareholders will be given the opportunity to elect one representative each to form the Nomination Committee along with one of the members of the Board of Directors who is independent in relation to the Company's management. If any of these shareholders chooses to waive their right to elect a representative, their right is transferred to the shareholder who, after these shareholders, has the largest share ownership. In preparation for the Annual General Meeting, the Nomination Committee is tasked with presenting proposals regarding:

- The chairman for the Annual General Meeting
- Number of Board members
- Board members and Chairman of the Board
- Board remuneration
- Possible remuneration for committee work
- Auditors and auditors' fees if such a decision is to be made

- Process for establishing the ensuing Nomination Committee.

The proposals of the Nomination Committee are presented in the notice of the Annual General Meeting and on the company's website. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed under the decision establishing the new Nomination Committee at the 2020 Annual General Meeting.

Member	Appointed by	Independent in relation to the company and its senior management	Share of votes as per 31 December 2019
Ian Livingstone	Richard Livingstone	Yes	16.4%
Peter Ihrfelt (Chairman)	Österbahr Ventures AB	Yes	15.0%
Mats Holmer	Joel Citron	Yes	1%
Cecilia Lager	Board of Directors of Evolution Gaming Group AB	Yes	—

### Board of Directors

#### Responsibilities and duties of the Board of Directors

The Board of Directors bears the overall responsibility for the organisation of the company and the management of its affairs and is to work in the interests of the company and all of its shareholders. The mandatory tasks of the Board of Directors include determining the company's overall targets and strategies, evaluating the Group CEO, ensuring that there are systems in place for monitoring and controlling the operations and the risks associated with them, ensuring that there is satisfactory control of the company's regulatory compliance and ensuring that the information issued by the company is characterised by openness and is accurate, relevant and reliable.

#### Instructions and policies

The Board of Directors annually reviews and adopts the following corporate governance related instructions and policies among others:

- Rules of procedure of the Board of Directors
- Instructions for the Group CEO
- Rules of procedure of the Audit Committee
- Rules of procedure of the Remuneration Committee
- Code of Conduct
- Sustainability Policy.

## ANNUAL REPORT EVOLUTION GAMING 2019

## Composition of the Board of Directors

The Board of Directors is appointed by the shareholders at the Annual General Meeting for the period until the end of the next Annual General Meeting and, in accordance with the Articles of Association, shall consist of at least three and at most eight members with no deputies. The Annual General Meeting determines the precise number of members.

At the 2019 Annual General Meeting, Jens von Bahr (Chairman), Joel Citron, Jonas Engwall, Cecilia Lager, Ian Livingstone and Fredrik Österberg were elected as members of the Board of Directors. For further details of each Board Member, see page 66.

In addition to being a Board Member, Jens von Bahr is also employed by the company as the Executive Chairman. He is not a member of the company's senior management. Under the terms of his employment, Jens von Bahr shall, in addition to, and separately from, his duties as Chairman of the Board, focus on strategic issues and establish and implement the Group's future growth plans in cooperation with the management team, customers and shareholders. As one of the founders of the Group, Jens von Bahr has special insight into the operations and the Live Casino industry and the markets in which the Group operates or may operate in the future. He also has long-term and valuable relationships with

customers and business partners. Consequently, having access to this experience at both the Board level and in the ongoing operations benefits both the company and its shareholders.

As an employee, the Executive Chairman reports to the Group CEO. The division of responsibilities between the Group CEO and the Executive Chairman is well regulated in the Board's rules of procedure and the company's instructions for the Group CEO. Jens von Bahr does not receive any remuneration for his duties as a member of the company's Board of Directors. In accordance with what was communicated in connection with the listing of the company on Nasdaq Stockholm in June 2017, the company expects that Jens von Bahr's employment also will be re-considered in the future but that the intention is that Jens von Bahr's employment as executive chairman shall continue after the 2020 Annual General Meeting.

Fredrik Österberg was employed by the company as Group Chief Strategy Officer until April 2018.

Member	Fees and salaries <sup>1)</sup>			Independent <sup>3)</sup>	Attendance <sup>2)</sup>		
	Board fee	Committee fee	Salary		Board meetings	Audit Committee	Remuneration Committee
Jens von Bahr	N/A	N/A	SEK 4,200,000	No/No	12	N/A	N/A
Joel Citron	EUR 30,000	N/A	N/A	Yes/Yes	13	4	2
Jonas Engwall	EUR 30,000	N/A	N/A	Yes/Yes	13	4	2
Cecilia Lager	EUR 30,000	N/A	N/A	Yes/Yes	12	N/A	N/A
Ian Livingstone	EUR 30,000	N/A	N/A	Yes/No	14	N/A	2
Fredrik Österberg	EUR 30,000	N/A	N/A	No/No	14	3	N/A

1. Fees refer to the amounts approved by the 2019 Annual General Meeting. For Board Members who are or have been employees, the stated figure refers to annual salary.
2. Attendance refers to meetings during the 2019 financial year.
3. Independent in relation to the company and the company's management/to the largest shareholders.

## Independence

The number of Board members who are independent in relation to the company is four (67 per cent) and the number of Board members who are independent in relation to major shareholders is three (50 per cent). Ian Livingstone is not independent in relation to major shareholders as he is closely related to the company's largest shareholder Richard Livingstone who owns approximately 16.4 per cent of the shares and votes in the company. Jens von Bahr and Fredrik Österberg together own approximately 15.2 per cent of the shares and votes in the company (through Österbahr Ventures AB) and are therefore not independent in relation to major shareholders. Since Jens von Bahr is employed by the company as Executive Chairman and Fredrik Österberg has been employed by the company during the last three years they are also not independent in relation to the company or its senior management.

A Board member may not take part in decisions where a conflict of interest may exist. This comprises decisions regarding agreements between a Board member and the company, agreements between the company and third parties in which the Board member has a material interest that could constitute a conflict of interest for the company, as well as agreements between the company and the legal entity that the Board member represents.

## Working procedures and meetings

In addition to laws and recommendations, the work of the Board of Directors is governed by its rules of procedure. The rules of procedure have been adopted by the Board of Directors and include instructions concerning, among other things, Board meetings and their contents, the division of duties within the Board and information to the Board.

## Chairman of the Board in 2019

The Chairman of the Board is appointed by the Annual General Meeting. Jens von Bahr was elected Chairman of the Board by the 2019 Annual General Meeting for the period until the end of the next Annual General Meeting. Jens von Bahr is the Executive Chairman of the Board, meaning that he is employed by the company. See the Composition of the Board of Directors section on page 58 for further details of what this employment entails.

The Chairman's role is to organise the work of the Board so that it is run efficiently and generates conditions for optimum performance of the Board's commitments.

## Work of the Board of Directors in 2019

The Board of Directors held 14 meetings in 2019, of which one was a statutory meeting, three to approve interim reports and one to approve the year-end report. The Board of Directors was in full attendance at all meetings except four, for further information see table on page 58. All meetings

followed an agenda that, on relevant points, was addressed with documentation provided to members prior to the meetings. As a rule, the meetings are also attended by the company's chief legal counsel as secretary, the Group CEO and CFO.

At each meeting, the Group CEO updates the Board Members on the company's operational and financial development. In addition, various senior executives and the auditor participate if necessary, to present various factual matters. The principal points addressed by Board meetings in 2019 included matters regarding, as well as the approval of, the business plan and budget, Group policies, and annual, year-end and interim reports.

*The matters addressed by the Board of Directors at the Board meetings in 2019 include:*

- **February**  
Adoption of interim report for the fourth quarter of 2018
- **March**  
The company's auditor participated in part of the meeting without the presence of the Group CEO or any other member of company management  
Approval of the annual accounts for 2018  
Evaluation of the work of the Board of Directors and the Group CEO  
Approval of the documentation for the 2019 Annual General Meeting  
Evaluation of the company's need of a specific audit function (internal audit)
- **April**  
Adoption of interim report for the first quarter of 2019  
Statutory Board meeting
- **May**  
Decision on settlement of record date for share split of the company's shares, in accordance with the Annual General Meeting's resolution
- **July**  
Adoption of interim report for the second quarter of 2019
- **October**  
Adoption of interim report for the third quarter of 2019  
Adoption of various policies
- **December**  
Approval of 2020 budget.

## Assurance of quality in financial reporting

The formal work plan adopted annually by the Board includes detailed instructions about which financial statements and what financial information is to be provided to the Board. The Group CEO is responsible for the Board receiving, in addition to the year-end report, interim reports and annual accounts, regular information about the company's financial performance including its financial position and liquidity.

## ANNUAL REPORT EVOLUTION GAMING 2019

The Board of Directors also examines, primarily through its Audit Committee, the most significant accounting principles applied within the Group in respect of its financial reporting, as well as significant changes in the reporting principles. All Audit Committee meetings are recorded and the minutes kept available to all Board Members and the auditors.

#### Evaluation of the work of the Board of Directors

Through a systematic and structured process, the Board shall annually assess its work and the division of labour between individual members. The Chairman of the Board informs the Nomination Committee of the outcome of the evaluation. The Board continuously evaluates the work of the Group CEO and Group management. This evaluation shall be discussed at least once a year at a meeting of the Board without the Group CEO or any other member of Group Management being present.

#### Remuneration to the Board of Directors

Remuneration to the Board of Directors is proposed by the Nomination Committee, approved by the Annual General Meeting and paid to Board Members who are not employees of the company. At the 2019 Annual General Meeting, it was decided that a fee of EUR 30,000 should be paid to each Board Member not employed by the company.

No specific compensation is paid to the members of the Board committees.

Jens von Bahr is employed by the company and does therefore not receive any Board fee. Jens von Bahr receives an annual salary of SEK 4,200,000 from the company (including applicable retirement benefits and without entitlement to variable compensation). The fee paid to Jens von Bahr for his position in the company was approved by an Extraordinary General Meeting on 24 January 2017.

#### Diversity policy

The company's Board of Directors has adopted a diversity policy applicable to its own composition. According to this policy, the Board of Directors shall, taking into account the company's operations, stage of development and circumstances, be appropriately composed and characterised by versatility and breadth in terms of the expertise, experience and background of the members elected by the Annual General Meeting. The objective is to seek an even gender distribution on the Board of Directors. Evolution considers diversity important in ensuring that Board Members' profiles provide the necessary range of perspectives, experience and skills required to achieve effective governance. In preparing its proposal for the composition of the Board of Directors, the Nomination Committee takes into account the Code and the Board's Diversity Policy, seeking to achieve diversity on the Board of Directors.

#### Board committees

The Board of Directors has established a Remuneration Committee and an Audit Committee.

##### Remuneration Committee

The Remuneration Committee consists of Joel Citron (chairman), Ian Livingstone and Jonas Engwall. The Remuneration Committee's duties include preparing the following matters for decision by the Board:

- Salary, other remunerations and pension benefits for the Group CEO
- Salary, other remuneration and pension benefits for the Executive Chairman
- The company's remuneration policy and other terms of employment for the company's senior management
- Share option programmes and similar arrangements, as well as other rewards or forms of compensation referred to, target a wider range of Group employees.

The Remuneration Committee shall also monitor and evaluate both current and completed variable remuneration programmes for the company's senior management. In addition, the Committee shall monitor and evaluate the application of guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the company. During 2019, two meetings were held, at which all members attended.

##### Audit Committee

The Audit Committee consists of Joel Citron (chairman), Jonas Engwall, and Fredrik Österberg. The Audit Committee's tasks include:

- Preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the Group
- Monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management
- Regularly meeting the company's auditors and being briefed on the statutory audit, focus and scope of the audit, as well as discussing the coordination between the external and internal audit as well as the view of the risks in the company
- Establishing guidelines for which services, beyond audit services, the company may purchase from the auditors, as well as evaluating and monitoring the independence of the company's auditors and, in connection with this, paying particular attention to whether the auditor provides additional services to the company beyond auditing
- Evaluating the audit and informing the company's Nomination Committee of the outcome of this evaluation.

The Audit Committee shall also organise a selection process to prepare recommendations of auditors to the Nomination

Committee when so required by applicable rules and assisting the Nomination Committee in preparing its proposals on auditors and compensation for auditing. During 2019, four meetings were held with full plenary (one meeting was held before Fredrik Österberg was appointed as a new member of the Audit Committee in April 2019).

### **Division of labour between the Chairman of the Board and the Group CEO**

The company has an Executive Chairman working mainly in the following areas: preparing long-term strategic issues beyond the Group CEO's strategic work within current business plans, ongoing evaluation of strategic partnerships and acquisitions, as well as assisting Group Management in strategic projects and in connection with the recruitment of key competencies. The Group CEO's instructions clarify that the duties of the Executive Chairman as an employee should not interfere with the duties of the Group CEO and that the Executive Chairman may not perform any ongoing management tasks. The Board of Directors' rules of procedure state that the work performed by the Chairman of the Board as an employee is separate from, and in addition to, his work as Chairman of the Board. In addition to duties explicitly in line with his employment contract and the Group CEO's instruction, he may not perform any assignments for the company that go beyond the work of the Chairman of the Board, unless approved by the Board of Directors.

### **Auditors**

Auditors are elected by the Annual General Meeting. The auditor shall examine the company's annual report and accounts as well as the management by the Board of Directors and the Group CEO. The auditor shall also examine the group accounts, as well as the relationship inter se of group companies. In accordance with the Articles of Association, Evolution shall have one or two auditors. The auditors shall be appointed for the time period until the end of an annual general meeting held not later than during the fourth financial year after the election. The Annual General Meeting held in 2019 re-elected Öhrlings PricewaterhouseCoopers AB as the company's auditors up until the close of the Annual General Meeting held in 2020. The auditor in charge is Niklas Renström, who was born in 1974 and is an authorised accountant.

### **Group CEO and Group Management**

Evolution's Group Management has extensive experience and works to achieve long-term profitable growth in line with the company's strategy and vision. The Group CEO is appointed by, and receives instructions from, the Board of Directors. In turn, the Group CEO appoints the other members of Group Management and is responsible for the ongoing administration of the Group in accordance with the Board's guidelines and instructions. The Group CEO

reports to the Board of Directors, ensuring that it receives the information needed to make informed decisions. The Group CEO shall also ensure that matters to be addressed by the Board in accordance with applicable legislation, the Articles of Association and internal policies and guidelines are presented to the Board of Directors. The Group CEO attends, and reports to, all Board meetings, except on those occasions when the Group CEO is evaluated by the Board as well as when the Board meets the company's auditor without management attending. Group Management embodies expertise covering all key areas of the company's business and strategy, including the CEO of Evolution's operating subsidiary Evolution Malta Limited. Evolution Malta Limited has a management team that addresses matters related to the operational activities.

### **Working instructions for the Group CEO**

The Board of Directors has developed and adopted instructions covering the Group CEO's responsibilities and tasks, as well as entitlement to represent the company. Within the framework of applicable laws, the Articles of Association, the Board of Director's formal work plan, the Group CEO's instructions and other instructions issued by the Board, the Group CEO is responsible for overseeing the company's day-to-day operations. The Group CEO is also responsible for ensuring that the Board receives information regularly to be able to monitor the company's financial position, financial planning and development. Prior to each regular Board meeting, the Group CEO shall submit information as requested by the Board in assessing the company's financial situation, including reports, metrics, proposed business plan and budget, forecasts, interim reports, financial statements and annual reports.

### **Remuneration to senior executives**

The 2019 Annual General Meeting established guidelines for senior executives for the period up until the Annual General Meeting held in 2020. Senior executives refer to the Group CEO and the Group management of Evolution. The guidelines should also apply to remuneration for members of the Board who are employed by the company, and what is stipulated in the guidelines regarding senior executives should when applicable also apply to members of the Board who are employed by the company. For information on the composition of the Group Management, see page 68.

The objective of the guidelines is to ensure that the company can attract, motivate and retain senior executives with the expertise and experience required to achieve company's operating goals. The remuneration shall be based on conditions that are market competitive and at the same time aligned with shareholders' interests. Remuneration to the senior executives shall consist of a fixed and, for some senior executives, variable salary. These components shall create a well-balanced remuneration reflecting individual competence, responsibility and performance, both short-term and long-term, as well as the company's overall performance.

### Fixed salary

The senior executives' fixed salary shall be competitive and based on each senior executive's individual competences, responsibilities and performance. A review of the fixed salary shall be carried out on an annual basis for each calendar year.

### Variable compensation

The senior executives (however not the board member employed by the company) may receive variable remuneration in addition to a fixed salary.

Annual variable remuneration is to be cash based and be based on predetermined and measurable performance criteria for the relevant senior executive aimed at promoting the company's long term value creation. The performance criteria are to be established and documented annually. Depending on the level of performance achieved, annual variable remuneration can vary from no variable payment up to fifty percent of the annual base salary (however, one senior executive is entitled to variable compensation up to a hundred percent of his annual base salary under his existing employment agreement).

### Incentive programmes

The shareholders' meeting shall be able to decide on long-term share and share-price related incentive programmes directed to, among others, the senior executives (however not to board members who are employees of the company). Such incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders and so that a personal holding of shares in the company is promoted. For further information on existing incentive programmes, see page 62.

### Other benefits

The company provides other benefits to senior executives in accordance with local practice. Such other benefits can include, for example company health care. Occasionally, housing allowance, paid schooling for underage children or travel allowances could be granted.

### Notice of termination and severance pay

The maximum notice period for senior executives during which salary is paid is 12 months. Severance compensation may be paid in an amount not greater than 12 months' fixed salary.

### Deviations from guidelines

The Board of Directors may deviate from the above guidelines where a special cause exists in an individual case. In the event the Board of Directors deviates from the guidelines, it shall explain the reason for the deviation at the following Annual General Meeting.

### Incentive programmes

#### 2020/2023 programme

The Extra General Meeting on 16 January 2020 resolved to issue a maximum of 4,000,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 373.90 during the period from and including 31 March 2023 (however not earlier than the day after the publication of the company's interim report for the period January–December 2022, the "First Exercise Date") up to and including the date that falls 30 calendar days thereafter.

In total 4,000,000 warrants were subscribed. If all 4,000,000 warrants are exercised for subscription of 4,000,000 shares, the dilution effect will be approximately 2.2 percent. The recipients of the warrants are key employees throughout the Group. Employees in Sweden have paid the market value for the warrants. Employees outside Sweden have paid the market value for 1 warrant, while receiving 1 without payment for each that had been paid for. For warrants acquired at market value, the price (option premium) has been determined using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt.

#### 2018/2021 programme

The Annual General Meeting on 20 April 2018 resolved to issue a maximum of 617,702 warrants. Each warrant entitles the holder to subscribe for five new shares in the company (following the share split 5:1 that was resolved by the 2019 Annual General Meeting) for SEK 141.06 per share during the period from the day after the publication of the interim report for the second quarter of 2021 until the date that follows 30 calendar days after the publication of the interim report for the second quarter 2021 (however not later than on 30 September 2021).

The company's subsidiary, Evolution Malta Ltd, has subscribed for 617,702 warrants, and Evolution Malta Ltd has, in turn, transferred 376,006 warrants to a number of key individuals in the company's management team and organisation. For warrants acquired at market value, the price (option premium) has been determined using the Black & Scholes valuation model, with the valuation being carried out by EY.

If all 376,006 warrants 2018/2021 are exercised for subscription of 1,880,030 shares, the dilution effect will be approximately 1.0 percent.

#### 2016/2019 programme

The Annual General Meeting on 28 April 2016 resolved to issue a maximum of 547,000 warrants. Each warrant entitled the holder to subscribe for five new shares in the company (following the share split 5:1 that was resolved by the 2019 Annual General Meeting) for SEK 70.84 per share during the period from the day after the publication of the interim report for the second quarter of 2019 until 30 September 2019.

In connection with the allotment of shares within the incentive programme, a number of key individuals subscribed for a total of 1,770,840 new shares in the company in accordance with the framework of the warrant programme. The total dilution effect amounted to approximately 1.0 percent.

### **Risk management and internal control**

Evolution's control system has been developed to ensure accurate, reliable financial reporting and accounting in accordance with applicable laws and rules, accounting standards and other requirements for listed companies. The foundation of the control environment is defined through policies, routines and manuals, and is upheld with the help of the company's organisational structure with clearly defined responsibilities.

#### **Control environment**

The Board of Directors bears the ultimate responsibility for an effective system of internal control and risk management being in place. Critical accounting issues and issues related to financial reporting are addressed by the Board and in the Board's Audit Committee. To ensure a well-functioning control environment, the Board of Directors has established a number of policies relevant to corporate governance and financial reporting. These include the Board's rules of procedure, Group CEO instructions and reporting instructions for financial reporting. The company also has a financial handbook, which includes principles, guidelines and process descriptions for accounting and financial reporting. At the statutory Board meeting following the Annual General Meeting, a formal work plan is established for the Board and instructions for the work of the Group CEO are determined, in which responsibilities and powers are further defined.

The Board has appointed an Audit Committee, tasked with preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the group, as well as monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management.

The CFO regularly reports to the Audit Committee and works together with the company's finance function to develop and improve the internal control with regards to the Group's financial reporting, both proactively with a focus on the internal control environment, and by reviewing the effectiveness of internal control.

Responsibility for the daily work of maintaining the control environment rests primarily with the Group CEO. The Group CEO reports regularly to the company's Board of Directors.

The Board of Directors in its entirety or any one Board Member together with the Chairman of the Board may sign on behalf of the company. In addition, the company's CFO and CLO together are entitled to sign on behalf of the company.

In accordance with the Swedish Companies Act, the Group CEO may sign alone on behalf of the company regarding duties which the Group CEO is obliged to carry out pursuant to section 29 of the Swedish Companies Act.

### **Risk assessment**

The Group has established a Risk Management Committee, in which representatives of various relevant parts of the organisation meet quarterly to assess, discuss and mitigate potential risks. The Group has also adopted procedures and established internal risk management control systems, including an annual risk analysis for all business areas within the Group, where the purpose is to identify, evaluate and manage risks threatening the Group's objectives and strategies. The risk analysis is divided into strategic, operational, compliance, legal and financial risks. To ensure a relevant level of control, each business area has established a number of control activities counteracting the most significant risks identified in the risk analysis. A self-assessment of these control activities is performed annually and reported to the Risk Management Committee, which compiles and evaluates the results and reports to the Audit Committee and the Board of Directors.

#### **Risk assessment directly related to the provision of gaming services**

As certain jurisdictions have laws that explicitly consider the offering of, and participation in, gaming services conditional on particular licences or a criminal offence, the Group continuously undertakes precautionary measures, including Know Your Customer (KYC) checks of licensees and requiring, in its agreements, that operators comply with the laws and regulations applicable to them.

These provisions in the agreements constitute a form of legal protection and prevent certain end users from accessing the Group's products and services. The Group's customers (i.e. the casino operators) are responsible for the end users' access to their online gaming platforms at the local level and in accordance with local laws and regulations.

#### **Monitoring**

Monitoring of control activities is conducted continuously to ensure that risks have been satisfactorily observed and addressed. This includes tracking of results in relation to budget and plans, analyses and key figures. The Board of Directors continuously evaluates the information provided by the company's management team. The process includes both reconciliation of monthly financial reports against budgets and goals and reporting at Board meetings. Through the Audit Committee, the Board of Directors reviews and assesses the internal control organisation and function. The company's policies and instructions are evaluated and updated annually at a minimum or when needed.

The company's CFO presents the results of internal control work as a standing agenda item at Audit Committee meetings.

## ANNUAL REPORT EVOLUTION GAMING 2019

The results of the Audit Committee's work in the form of observations, recommendations and proposals for decisions and measures are continuously reported to the Board of Directors.

**Information and communication**

The company has information and communication channels to promote the accuracy of the financial reporting and to facilitate reporting and feedback from the operations to the Board of Directors and the Group Management, for example by making governing documents such as internal policies, guidelines and instructions regarding the financial reporting available and known to the employees concerned.

The company is subject to the provisions of the EU Market Abuse Regulation No. 596/2014 (MAR). MAR sets out requirements on how inside information is to be published to the market, under which conditions the disclosure may be delayed and in what way the company is obliged to keep a list of persons working for the company and who has access to inside information. The company has assigned a digital and semi-automated tool to ensure that its handling of inside information meets the requirements of MAR and its insider policy. Only authorised persons in the company have access to the tool.

The company's financial reporting complies with Swedish laws and regulations and the local rules in each jurisdiction where operations are conducted. The company's information to shareholders and other stakeholders is provided through the interim reports, press releases and annual report according to the Group's Communication Policy.

**Internal audit**

The company has no separate review function (internal audit). The Board does not consider there to be special circumstances in operations or other conditions that would warrant such a function.

## Notes contents

Note 1. Accounting and valuation principles	82
Note 2. Revenues	90
Note 3. Employees	91
Note 4. Financial income	92
Note 5. Financial expenses	92
Note 6. Income tax and deferred tax	92
Note 7. Earnings per share	93
Note 8. Intangible assets	93
Note 9. Property, plant and equipment	94
Note 10. Participations in Group companies	95
Note 11. Accounts receivables	96
Note 12. Other receivables	96
Note 13. Prepaid expenses and accrued income	96
Note 14. Cash and cash equivalents	96
Note 15. Other current liabilities	96
Note 16. Accrued expenses and deferred income	96
Note 17. Leasing, IFRS 16	96
Note 18. Auditor remuneration	98
Note 19. Pledged assets	98
Note 20. Liabilities to credit institutions	98
Note 21. Transactions with related parties	99
Note 22. Share related remunerations	99
Note 23. Financial risk management	99
Note 24. Critical estimates and assessments	102
Note 25. Acquired business and specifications to the consolidated cash flow statement	103
5-Year Summary	104
Key Ratios not defined in accordance with IFRS	105

## ANNUAL REPORT EVOLUTION GAMING 2019

**NOTE 2. REVENUES**

The Group CEO considers the Group to consist of a single segment, i.e. the provision of solutions for Live Casino and associated services to gaming operators.

The Group's revenue derives from fees from gaming operators that use the Group's solutions for Live Casino and from other associated services.

Revenue recognition at a point of time refers to dedicated environment set up fees, capital gains of fixed assets and other operating income.

Revenues over time are mainly referring to commission fees from the contracted partners and dedicated table service fees.

**2 (a) Disaggregation of revenue from contracts with customers per invoicing jurisdiction**

(EUR thousands)	Sweden		Malta		Latvia		Georgia		North America		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total revenues	7,120	6,195	349,340	244,528	92,899	92,631	18,471	6,266	15,903	6,786	140,702	58,407	624,435	414,813
Intercompany revenues	7,120	-6,195	-105,732	-44,419	-89,685	-92,614	-18,468	-6,195	-14,627	-6,785	-23,051	-13,187	-258,683	-169,395
Revenue from external customers	0	0	243,608	200,109	3,214	17	3	71	1,276	1	117,651	45,220	365,752	245,418
Timing of revenue recognition														
At a point of time	0	0	5,256	6,026	8	9	0	65	37	1	1,954	1,006	7,255	7,107
Over time	0	0	238,352	194,083	3,206	8	3	6	1,239	0	115,697	44,214	358,497	238,311
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>243,608</b>	<b>200,109</b>	<b>3,214</b>	<b>17</b>	<b>3</b>	<b>71</b>	<b>1,276</b>	<b>1</b>	<b>117,651</b>	<b>45,220</b>	<b>365,752</b>	<b>245,418</b>

**2 (b) Liabilities related to contracts with customers**

(EUR thousands)	Sweden		Malta		Latvia		Georgia		North America		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Opening balance	0	0	511	1,182	17	6	0	0	0	0	290	20	818	1,208
Revenues recognised from opening balance liabilities	0	0	-511	-1,182	-6	0	0	0	0	0	-290	-21	-807	-1,203
Liabilities recognised	0	0	5,866	7,746	0	11	0	0	0	0	1,209	2,242	7,075	9,999
Revenues recognised	0	0	-2,521	-7,235	0	0	0	0	0	0	-909	-1,951	-3,430	-9,186
<b>Closing balance</b>	<b>0</b>	<b>0</b>	<b>3,345</b>	<b>511</b>	<b>11</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>290</b>	<b>3,656</b>	<b>818</b>

**2 (c) Revenue per geographical region**

Group (EUR millions)	Jan-Dec 2019
Nordics	24.3
UK	49.9
Rest of Europe	184.3
Asia	49.6
North America	22.0
Other	35.5
<b>Total operating revenues</b>	<b>365.6</b>
Share of regulated markets	43%
Revenues, regulated markets	156.7

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table to the left shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

# **EXHIBIT 5**



 **Evolution**

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ANNUAL REPORT 2020

## Table of contents

The year in brief	02
Group CEO comments	04
<b>STRATEGIC REPORT</b>	
Our business model, vision and strategy	08
Our strategy for growth	10
Our marketplace	12
Our operations	14
Our global studios	16
Acquisition of NetEnt	18
Live game shows	20
Our world-leading online casino games portfolio	22
Our growing customer base	26
A unique record of innovation and growth	28
The Evolution share	30
<b>SUSTAINABILITY REPORT</b>	
Sustainability report	34
Our people	38
Our societies	40
Our environment	42
Diversity	44
Responsible gaming	46
Ethical business practices	48



### GOVERNANCE

54	Directors' report
60	Corporate governance report
70	Our Board of Directors
72	Our group management team

### FINANCIAL STATEMENTS

75	Financial reports
85	Notes
110	Declaration by the Board of Directors
111	Auditor's report
116	Glossary and definitions

## Group CEO comments

Innovation, global growth and aiming for even greater heights.



As I reflect on what has been an exceptionally exciting and challenging year it's particularly pleasing to conclude that we have not only been able to maintain our leading market position, we have also strengthened it. I am proud of Evolution's development in 2020, we have delivered twelve fantastic new games and we have seen growth in all geographic regions. We have also prepared the company for continued growth through the acquisition of NetEnt, making us a complete online casino provider.

The year has naturally been affected by the pandemic. Our focus throughout the year has been to create a safe workplace for employees in our studios and to maintain operations for our operators. Thanks to the extensive changes to working processes and routines, our operations have been able to continue without any large negative effects. However, in several of our studios, we have been forced to operate with fewer tables compared to normal. The pandemic has also had some positive effect on demand both short term – through increased online activity in general, and long-term – with many new players finding our games. It is worth pointing out that we had very good organic growth coming into 2020, so while the pandemic has increased demand it is not the main reason for our strong growth in 2020.

The acquisition of NetEnt marks a milestone for Evolution as we add slots to our product portfolio and become a complete online casino provider. We are convinced that the addition of slots makes us well-placed for our long-term ambition of being the global market leader in online casino. The new broader Evolution will take advantage of ongoing market regulation, increasing digitalisation and most of all continue to build products for the future.

We remain committed to creating the best gaming experience for every single user across both verticals, as well as in new products where we will combine the two verticals. It is important to point out that the key to our success is for us to continue to innovate and to substantially enhance and refine the playing experience.

The demand for our products is truly global and during 2020 we had good growth in all our geographic markets. Asia and North America stand out with high growth rates. We are still a small actor in Asia, and I expect to continue to build on that position. In North America, the long-term growth will depend on the pace of continued regulation of the USA. In 2021, we will continue to expand our existing offerings in New Jersey and Pennsylvania and also launch a new studio in Michigan.





Product innovation is central for Evolution's success and our ambition is to pave the way for the entire industry by launching new ground-breaking products. I am very excited about the upcoming game launches for 2021 and you can expect that we will continue our innovation efforts with the aim to take online casino to the next level, using the latest technology and adapting to more target audiences than ever before. In 2021, we will expand our range of immersive and engaging game shows, continue to build on the success of our First Person range and as always, we will also develop variants and unique twists on our classic games, Roulette, Blackjack and Baccarat. When we created the game show segment in online casino combining core live products with RNG elements it was groundbreaking. For us now to also add slots and explore what can be done when combining elements from both sides makes it very promising that we once again will revolutionise the online casino market, now with products that form a combination between live and slots.

Looking ahead, it is clear to me that the global conversion from land-based to online gaming will continue at a high rate. At Evolution, we will continue to create innovative games and products that always push the boundaries, in order to meet this growing demand. We will continue to invest in studio capacity and keep our relentless focus on product innovation and a flawless delivery by our team. We are always striving to do better every day and increase the gap to the competition.

Martin Carlesund,  
Group CEO

## Our growing customer base

Evolution's customer portfolio includes a large number of the major global online operators, platform providers and a growing number of land-based casinos. The main growth will derive from the existing customer portfolio, since operators generally extend the scale of their live offerings. Evolution can also follow existing customers into new markets.



### Customer portfolio

Evolution's customer portfolio, including all brands, consisted of approximately 500 customers at the end of 2020 and comprises online operators and land-based casinos. The online operators typically offer a wide range of different gaming verticals including RNG games, such as slots, live casino, sportsbook, as well as poker and bingo.

Land-based casinos have begun to a greater extent to expand online and Evolution strives to be the natural partner in this transition. At the end of 2020, Evolution's customer portfolio included over 40 (30) land-based casinos.

In addition to customers for whom Evolution provides direct integration, there are also several platform partnerships in which the company's live casino product forms part of a total solution with several product verticals.

### New customers in 2020

In 2020, agreements were signed with BetMGM, Caesars Entertainment, FanDuel Group, Grand Casino Luzern, Golden Nugget, Intralot, JVH Gaming & Entertainment Group, PointsBet, William Hill US and Wynn Sports Interactive.

### Risk assessment for new customers

As a B2B provider, Evolution's revenues are generated via gaming operators and casinos. The company has stringent monitoring processes in place to detect attempts at fraud and money laundering, but it is the operators that handle all monetary transactions with their end users.

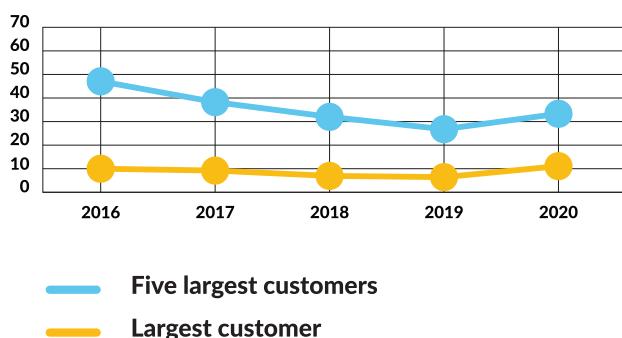
To satisfy regulatory requirements and further minimise the risks, the company has established due diligence processes for when new agreements are signed and to continually evaluate existing customers. Evolution is always able to discontinue its services to operators that fail to comply with the relevant regulations, or that in some other way jeopardise Evolution's market position and/or gaming licences.



## Customer dependency

The majority of Evolution's largest customers have strengthened their focus on live casino in recent years. We partner with our customers and work closely with them in all aspects of their operations. Evolution's largest customer accounted for approximately 11 percent (6) of revenues in 2020, and the five largest customers accounted for roughly 33 percent (27) of revenues.

### CUSTOMER DEPENDENCY (% OF REVENUES)



# Directors' report

The Board of Directors and the Group CEO of Evolution Gaming Group AB (publ) 556994-5792 ("Evolution") hereby present the annual accounts for the Group and the Parent Company for the 2020 financial year.

## Operations

Evolution develops, produces, markets and licenses fully integrated live casino and slots solutions to gaming operators. In live casino, a game presenter, i.e. dealer, runs the game from a casino gaming table that is followed in real time via a video stream. End users, i.e. the players, make betting decisions on their devices (computers, smartphones, tablets, etc.).

Evolution is a B2B supplier and, at the end of 2020, the Group had approximately 500 customers, including a majority of the foremost online casino operators in Europe and the USA, as well as a number of land-based casinos. The operators market the products to the end users.

Evolution's live casino platform is unique in its kind and covers all aspects required by a gaming operator – from the recruitment and training of game presenters and other staff to streaming, production, supervision, customer services and follow-up. Operators are offered a fully customised solution with a high degree of adaptability such as standard and VIP tables, control of how the environment looks and dedicated dealer teams. The Company has a broad portfolio of core games including both classic table games and new innovative casino games. Various game derivatives are also available, i.e. variations of the core games with new technical solutions and new content.

Evolution has production studios in Riga, Latvia, Tbilisi, Georgia and Fort Mriehel, Malta, where a majority of the operations are conducted. In addition, the Company has studios in New Jersey and Pennsylvania, USA as well as Vancouver, Canada and Kaunas, Lithuania. The Company also runs on-premise studios at land-based casinos in Belgium, Romania, the UK and Spain. The Parent Company of the Group is located in Stockholm, Sweden.

Evolution's revenues consist of fixed and variable consideration from the Company's customers. A majority of the revenue derives from commission, which is calculated as a percentage of the customer's profit generated by the Company's live casino platform. Through commission, Evolution gains beneficial exposure to the general growth of the European live casino market. In addition to commission, a proportion of the Company's revenue derives from fees for dedicated tables. These are invoiced to customers who have chosen to offer their end users dedicated tables.

## Business concept and vision

Evolution's business concept is to offer gaming operators in regulated markets an unparalleled, locally adapted live casino service for all digital platforms. Its mission is to make operators successful and provide an excellent gaming experience for their end users. Evolution's vision is to be the leading live casino provider in the world.

## Significant events in 2020

- Launch of 12 new games, including titles in the unique game shows category
- Investments in studios throughout the year to meet global demand for live casino
- Agreements with several key new operators
- Acquisition of NetEnt, global supplier of online slot games
- The Board proposes a dividend of EUR 0.68 per share (0.42).

## Market

The global online casino market (Live & RNG) developed strongly in 2020 and, according to the independent institute H2 Gambling Capital, it had an estimated value of EUR 16,511 million (13,436) at year-end. The North American online casino market had an estimated value of EUR 2,700 million (1,565) at year-end and the European EUR 10,323 (8,725). The development of online gaming is underpinned by technological progress and new distribution channels, as well as strong demand from gaming operators and their end users. RNG is the largest vertical with approximately 70 percent of the online casino market. Live casino has traditionally been an add-on product in operators' online casino interface, but it has now become an integrated and strategically important product since it provides opportunities for brand differentiation.

Evolution has a leading position among live casino operators in both Europe and North America. The Company intends to continue strengthening its leading position in the market by having a clear focus on activities that promote the business and the offering. The three strategic core areas — product innovation, customer optimisation and operational excellence — are considered to be of particular importance for a continued expansion of the advantage held compared to other players in the market and the creation of a stable foundation for continued growth.

## New agreements and customers

In 2020, agreements were signed with BetMGM, Caesars Entertainment, FanDuel Group, Grand Casino Luzern, Golden Nugget, Parx Casino, Intralot, JVH Gaming & Entertainment Group, PointsBet, William Hill US and Wynn Sports Interactive. Agreements were also concluded with a number of smaller operators and platforms, while many existing agreements were expanded to cover additional services and tables.

## Revenues and profit

### Revenues

Evolution's total operating revenues amounted to EUR 561.1 million (365.7) in the financial year ending on 31 December 2020. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised live casino environments.

### Expenses and profit

Total operating expenses amounted to EUR 261.4 million (208.3). The Company's personnel expenses rose to EUR 133.8 million (126.4), mainly driven by higher expenses for personnel in connection with the launch of new tables in the Company's studios.

Depreciation, amortisation and impairments amounted to EUR 32.5 million (25.5), an increase explained primarily by the expansion of the Company's studios. Other operating expenses rose to EUR 95.2 million (56.4), driven by expenses for premises, consumables and communications. Operating profit for the year amounted to EUR 299.7 million (157.5) with an operating margin of 53.4 percent (43.1).

Financial items only had a marginal impact on the profit and amounted to EUR -1.0 million (-0.2).

The Group's effective tax rate for the year amounted to 4.7 percent (4.8). The effective tax rate is chiefly affected by the countries in which Evolution conducts operations and generates profit, which may vary between reporting periods. Profit for the year amounted to EUR 284.6 million (149.7).

### Investments

On 1 December 2020, Evolution acquired the business of online slot games provider NetEnt for a consideration of EUR 2,280,204 thousand based on the share price of Evolution on 1 December. See also Note 25.

The Group's investments in intangible assets amounted to EUR 13.6 million (11.2) in 2020. Investments in intangible assets refer to the development of new games and technical improvements of the platform, such as new functionality. Development projects during the year included the development of new games that will be launched in 2021, but also exclusive content rights.

Investments in property, plant and equipment amounted to EUR 23.3 million (19.0). Investments in property, plant and equipment primarily comprised new studio space and premises, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

Investments in computer equipment were also made to meet needs in connection with the organisation's expansion, as well as in studio equipment in the Company's production studio.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 316.1 million (175.8) over the year. The increase is primarily due to an improved profit. Cash flow from investing activities amounted to EUR 6.8 million (negative 42.5). A description of the investing activities is provided in the Investments section above. Cash flow from financing activities was negative in the amount of EUR 279.9 million (negative 36.1) and included dividend to shareholders of EUR 76.1 million (43.2) and the redemption of NetEnt's credit facilities of EUR 184.7 million. Cash and cash equivalents amounted to EUR 221.7 million (182.5) at year-end.

### Employees

As of 31 December 2020, Evolution employed 9,506 (7,828) people, corresponding to 6,818 (5,554) full-time equivalents. The average number of full-time equivalents for the full-year was 5,118 (4,894).

### Sustainability

Evolution Gaming Group AB's sustainability report is prepared in accordance with the requirements of the Annual Accounts Act (chapter 6, paragraph 12) on sustainability reporting. The sustainability report is on pages 34-49.

### Parent Company

The Parent Company is a holding company that was formed in December 2014. Operating revenues for the 2020 full-year amounted to EUR 9.4 million (7.1) and expenses to EUR 9.2 million (6.8). Operating profit amounted to EUR 0.2 million (0.2). Profit for the period amounted to EUR 200.2 million (99.5). The Parent Company's cash and cash equivalents amounted to EUR 34.4 million (1.1) at the end of the year and equity amounted to EUR 2,666.3 million (343.6). No significant investments were made in intangible or tangible assets. During the year, the Company received dividends from the Maltese subsidiary amounting to EUR 200 million (100).

## Risk factors

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, sustainability and financial risks. When assessing the Company's future development, it is important to take into account the risk factors alongside any opportunities for profit growth. The risk factors are not set out in any particular order, importance or potential impact on the Group's revenue, profit or financial position.

Neither should these be seen as exhaustive, but rather as representing risks that are applicable to Evolution and that are monitored and evaluated by the Group management. In addition, the risks below are not the only risks to which the Group may be exposed. The Company may be unaware of certain risks. Financial risks are described in Note 23 Financial risk management.

## Political decisions and other legal aspects

Evolution generates the majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate and/or re-regulate the gaming industry. Direct enforcement actions may be taken against a member of the Group or any of its officers or directors, particularly in instances where the provision of the Group's services to a gaming operator is critical to the underlying gaming transactions. Should any of these events occur, the impact could have a material adverse effect on Evolution's business, financial position and profit.

Although the gambling laws and regulations of many jurisdictions do not specifically apply to the supply of services by licensors of gaming software, certain jurisdictions have sought to regulate or prohibit the supply of such services. While Evolution currently holds all licences and certifications deemed necessary to carry out its business, national gambling laws are under review and changing in European countries. The Company may be subject to such laws, directly or indirectly, insofar as it supplies services to customers that are subject to such laws. Changes in the regulatory frameworks of different jurisdictions could impact the Group's business in that such changes may lead to an increase in the number of market participants and competitors, result in customers losing their licences and permits to operate in such jurisdictions or break up monopolistic gaming operators, which could impact the Group's underlying contractual relationships.

Furthermore, many jurisdictions have not updated their laws to address the supply of remote gaming services from other countries, and courts may interpret older legislation unfavourably or determine that the activities of the Group and/or its customers are illegal. For example, a court or regulator may order that certain equipment be located in

the jurisdiction in which products and services are offered, which could materially and adversely impact Evolution's operations and the business of its customers. Furthermore, several European countries have introduced, or are in the process of introducing, new online gaming regulations, which will require online gaming operators, and in some cases even providers, to hold, e.g., a country specific licence, pay gaming taxes, operate from a country domain and report gaming statistics in order to bring operators (and end users) under supervision. Although Evolution monitors the regulatory environment, legislation could be interpreted in an unfavourable or unanticipated manner. If regulatory or enforcement actions are brought against any of Evolution's customers, the Group's revenue streams from such customers may be frozen or traced by authorities, even if no Group entity is made a party to any legal proceedings against such customers. As a result, end users may face problems transferring funds in and out of certain jurisdictions, which may impact payments to gaming operators and hence Evolution.

In addition to gaming laws and regulations, Evolution is subject to a wide variety of laws and regulatory requirements. For example, the Group must comply with anti-money laundering regulations, market abuse regulations, data protection and privacy regulations (including GDPR), and is required to share bet and other transactional data with local regulators in certain markets. Compliance with all such laws and regulations laws is complex and expensive. The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could result in sanctions. Any failure by Evolution to comply with these other laws and regulatory requirements could have a material adverse effect on the Group's business, financial position and profit.

## Operations subject to official approval

Evolution has obtained and is obliged, given the nature of the software, services and technology it supplies, to maintain its licences and certifications in a number of jurisdictions, and may in the future be required to obtain licences and/or certifications in other jurisdictions. If any of these are withdrawn or are not renewed on equivalent terms (e.g. where there is a change in view as to what equipment needs to be located locally), the Company may not be able to continue to operate and offer services in certain jurisdictions. Additionally, to the extent that Evolution is unable to obtain requisite licences and/or certifications in jurisdictions, particularly with respect to jurisdictions that fall within or are comprised of newly regulated markets, the Company may not be able to follow customers into these jurisdictions and newly regulated markets. In such an event, customers may turn to competitors that are licensed and/or certified in the applicable jurisdiction, or that become licensed and/or certified before Evolution does. Any failure to renew or obtain any such licence or certification could have a material adverse effect on the Group's business, financial position and profit.

Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change. Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions, such as the requirement to establish real-time data interfaces with the local regulator or pay retrospective taxes as a condition for the granting of a licence to operate in a particular jurisdiction. If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, the Company's growth strategy and customer base could be adversely impacted.

#### Disruptions to operations and information security breaches

Evolution's ability to provide its software to gaming operators depends upon the integrity, reliability and operational performance of its systems. The functioning of the IT systems within the Group's operations, or that of its providers or partners, could be disrupted for reasons beyond its control. Furthermore, there may be technological challenges in rolling out new products and services.

Any such disruption or event may lead to customer claims against the Group or otherwise negatively impact the Group's ability to sell products and services to its customers due to reduced confidence. Any interruption in the systems could have a negative effect on the quality of products and services offered by Evolution and, as a result, on demand from customers and their end users. The Group's success depends, in part, on providing secure products and services to customers for use by their end users. Attempts to penetrate security measures may come from various combinations of customers, end users, employees and others. The Group's IT systems are ISO-27001:2013 certified and the ability to monitor and ensure the quality and integrity of Evolution's products and services is continuously reviewed and evaluated.

#### External anomalies

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of event which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences. The spread of the Coronavirus is affecting societies and companies all over the world. Financial effects are still difficult to quantify. Evolution employs over 9,000 persons and most of our games require staff on site in the studio to operate the games. Risks for Evolution include shortage of staff due to increased sick-leave or government restrictions on travelling to and from the workplace. Due to the digital nature of our products, restrictions on physical movements in society do not affect how operators and players can access our products.

#### End users

Although Evolution does not provide its services directly to end users, people who play live casino games with an operator via the Company's platform could sue the Company in its capacity as a developer and facilitator of games. While such claims against Evolution are likely to be dismissed, they could give rise to expenses and reduce confidence in the Group or impact its customers.

#### Dependence on key personnel and skilled employees

The majority of Evolution's employees operate, organise and oversee operations at the gaming tables. Approximately 85 percent of the Group's full-time employees work on tables as hosts and dealers. These employees possess language, dealer and other trade skills that are essential in the day-to-day operations. Evolution aims to be an attractive employer and invests significantly in the training and development of its staff. In the ordinary course of operations, the Company experiences employee turnover with respect to employees working on tables, and such turnover can at times be significant. The loss of a significant number of its employees or any of its key employees, or any increased expenses that the Group may incur in order to retain any such employees or hire and train new employees, could have a material adverse effect on the Group's business, financial position and profit.

In addition, Evolution's business is dependent on a number of key individuals, senior executives and persons with specialist skills. These key individuals have established good relationships with market participants and have a thorough understanding of the complex environment in which the Group operates. Accordingly, these key individuals are central to the successful development of Evolution's business. If any of these individuals terminate their relationships with the Group, or materially change or reduce their roles within the Group, Evolution may not be able to replace them or their services on a timely basis with other professionals capable of making comparable contributions to operations.

#### Dependence on major customers

In 2020, the top five customers (in terms of revenue generated) contributed 33 percent (27) of Evolution's revenue. The Group's revenue stream from these sources may be adversely impacted by any deterioration or decline in the business of these five customers, or if one or more of these customers opted to use a competitor of the Company for its live casino solutions. The reduction in revenue generated from, or loss of, one or more of these five customers could have a material adverse effect on the Group's business, financial position and profit.

## ANNUAL REPORT EVOLUTION 2020

**Counterparty risk**

Evolution is subject to counterparty risks, primarily the risk of payment default by operators. Although the Group conducts credit checks for new customers and has historically experienced low levels of payment default by its customers, the rate of customer default may rise or increase in the future. In particular, such risk may increase if Evolution were to expand into new markets where customers are less financially stable. Any payment defaults by operators could have a material adverse effect on the Group's business, financial position and profit.

**Competition**

Evolution operates in a competitive industry. Competition is expected to continue to intensify as new live casino providers enter the market and existing providers improve and expand their product and service offerings. If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit. The Company's objective is to strengthen its leading market position and retain existing and attract new customers by developing its successful live casino platform further while focusing on a number of areas considered to be of strategic importance for continued growth.

**Intellectual property rights**

Evolution's ability to compete effectively depends, amongst other things, on its ability to protect, register and enforce its intellectual property rights. The Group also faces the risk that the use and exploitation of its intellectual property rights, including, in particular, rights relating to its software, may infringe the intellectual property rights of a third party. The expenses incurred in bringing or defending possible infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Company may result in royalties or damages being payable and/or the Company being required to cease using any infringing intellectual property or embodiments of any such intellectual property. The Group is also dependent on know-how and trade secrets, and it strives to protect such information by, for example, maintaining confidentiality agreements with employees, consultants and partners.

However, it is not possible to ensure total protection against unauthorised distribution of information and competitors, and others may gain access to such information, which may lead to the value of such information diminishing or competitors gaining an advantage, which in turn could have a material adverse effect on the Group's business, financial position and profit.

**Shares and ownership**

A detailed description of Evolution's shares and ownership can be found on pages 30-31.

The Company has, during the period 16 March 2020 – 17 March 2020, acquired a total of 338,000 own shares within the framework of the repurchase programme introduced by the Board of Directors to improve the capital structure of Evolution by reducing the capital, and thereby creating added shareholder value. During the third quarter the acquired shares were cancelled.

**Risk management**

Evolution is exposed to the risk of money laundering and fraudulent activities by its customers, end users and third parties, as well as the potential collusion by operators and end users. The Group has implemented internal control systems and established a primary mission control centre in Latvia that monitors transactions, volumes and patterns, but these systems may not always succeed in protecting the Group from money laundering and fraud. To the extent that the systems are not successful in protecting the Group from money laundering or fraud, or if Evolution fails to comply with applicable regulations, the Group and its directors could be subject to criminal sanctions or administrative and civil fines and could directly suffer loss, the revocation of concessions and licences, operational bans, or lose the confidence of the customer base, all of which could have a material adverse effect on the Group's business, financial position and profit. In addition, effective internal controls are necessary for Evolution to provide reliable financial information and effectively prevent fraud. While the Group applies procedures and a system of internal control whereby internal risks are assessed, and the Group's Risk Committee meets on a quarterly basis to discuss and address potential risks, it is possible that the Group will not successfully manage internal risks or identify areas requiring improvement in the internal controls.

**Tax situation**

Evolution primarily conducts its business through subsidiaries that are active in the geographic markets in which it operates. The business, including intra-Group transactions, is conducted in accordance with the Company's interpretation of applicable laws, tax treaties and other regulations concerning taxes and the practice of tax authorities in the relevant countries.

Evolution has obtained advice from independent tax advisors in this respect, but there is a risk that tax authorities in relevant countries may make decisions that deviate from the Group's interpretations and the advice received from independent tax advisors. In addition, the Group's interpretation of applicable laws, tax treaties, regulations and administrative practice may be incorrect and such rules may change, possibly with retroactive effect (in particular with regard to Maltese VAT legislation and the right of companies to deduct VAT). Furthermore, the Company has been advised that, to the extent that an individual ordinarily resident and domiciled in Malta acquires 5 percent or more of the Company, although the tax refunds in Malta should not be limited, certain Maltese withholding tax obligations

may be imposed in respect of dividends attributable to such individuals. Regulatory or legislative changes, or decisions by tax authorities, may impair the present, future or previous tax position of Evolution, which could have a material adverse effect on the Group's business, financial position and profit.

### Expectations regarding future development

The company's future development is mainly dependent on the development of the online Casino market. Evolution's medium to long-term objective is to grow faster than the total global online casino market.

### Proposed appropriation of profits

The Board of Directors proposes that the 2021 Annual General Meeting approve the transfer to shareholders of EUR 144,382,365 (76,139,585), corresponding to EUR 0.68 (0.42) per share.

**The following earnings are at the disposal of the Annual General Meeting**

Share premium reserve	2,426,591,462
Retained earnings	38,831,335
Profit for the year	200,237,502
<b>Total</b>	<b>2,665,660,299</b>

**The Board of Directors proposes the following appropriation**

Dividend to shareholders	
EUR 0.68 per share (212,327,008 x 0.68), totalling	144,382,365
Carried forward in share premium reserve	2,426,591,462
Carried forward in retained earnings	94,686,472
<b>Total</b>	<b>2,665,660,299</b>

### Statement by the board of directors on the proposed allocation of profits

With reference to the above and to what has otherwise come to the Board of Directors' knowledge, the Board of Directors believes that a comprehensive assessment of the Parent Company and the consolidated financial position indicated that the dividend is justified taking into account the demands that scope and risks of the operations place on the scope of equity in the Parent Company and the Group and on the consolidation needs, liquidity and financial position in other regards of the Parent Company and the Group.

### Events following the balance sheet date

- Extra General Meeting was held on 28 January 2021 – resolved on the establishment of an incentive programme as well as on authorisation for the Board of Directors to resolve to issue shares, warrants and convertible debt.

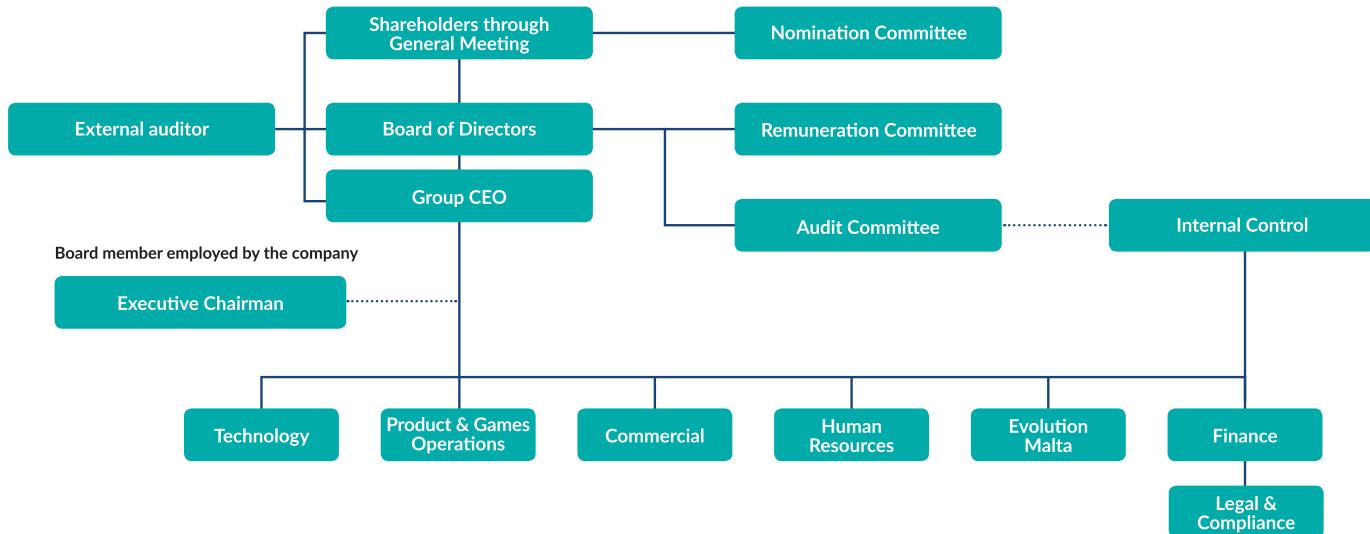
See also the Corporate governance report.

The Group's and the Parent Company's positions as of 31 December 2020 and the profit of the operations for the 2020 financial year are stated in the following income statements and balance sheets, cash flow statements, statements of changes in equity and notes to the financial statements.

# Corporate governance report

Evolution Gaming Group AB (publ) ("Evolution") is a Swedish public limited company that was formed in December 2014 and that is listed on the Nasdaq Stockholm exchange. Evolution complies with all applicable statutes and regulations, including the Swedish Companies Act, EU Market Abuse Regulation, the Swedish Code of Corporate Governance (the "Code") and other regulations and Nasdaq Stockholm's Rule Book for Issuers. The current Code is available at the Swedish Corporate Governance Board's website [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

## Evolution's corporate governance model



## Ownership and voting rights

At the end of 2020, the share capital in Evolution amounted to EUR 638,168.65, divided between a total 212,327,008 shares with a nominal value of EUR 0.003 each. All shares belong to the same class of shares, with equal voting rights (one vote per share) and shares of the company's capital and profit. On 31 December 2020, there were 67,515 shareholders. At the same point in time, the company's largest shareholders were Capital Group with 15.4 percent of the share capital and votes, and Jens von Bahr as well as Fredrik Österberg (through Österbahr Ventures AB) with 12.9 percent of the share capital and votes.

The ten largest shareholders represented 47.2 percent of the share capital and votes. Further information about the company's share and shareholders is presented under "The Evolution share" on page 30-31. and on the company's website.

## General Meetings

The Annual General Meeting is Evolution's highest decision-making body, at which shareholders exercise their influence on the company. All shareholders registered in the company's CSD register who notify the company in time of their attendance are entitled to attend the General Meeting and vote for all of their shares. The company's Annual General Meeting is held in the spring. The date and venue are announced in connection with the third interim report at the latest.

Information on how shareholders can have a matter considered

at the Annual General Meeting in the following year, and when, at the latest, such a request must be received is detailed on the company's website in connection with the publication of the third interim report at the latest. Notice of the Annual General Meeting is published no later than four weeks prior to the meeting through an advertisement in Post- och Inrikes Tidningar (official Swedish gazette) and by posting the notice on the company's website. The company will place an advertisement in Swedish financial daily Dagens Industri that the notice has been issued.

The Annual General Meeting's mandatory duties include making decisions on:

- Adoption of the income statement and balance sheet
- Appropriation of profits and dividend
- Discharge from liability for the Board of Directors and the Group CEO
- Election of the Board of Directors and auditors
- Determination of fees for the Board members and the auditors
- Nomination Committee.

At the Annual General Meeting, decisions are normally made by a simple majority of the votes cast. On certain decision matters, however, the Swedish Companies Act requires a proposal to be approved by a larger proportion of the votes cast. Extraordinary General Meetings may be held when necessary.

## Annual General Meeting 2020

The 2020 Annual General Meeting was held on 17 June 2020 at Strandvägen 7A in Stockholm. At the meeting, 35 percent of all shares and votes were represented.

At the annual general meeting income statements and balance sheets for 2019 for the company and the group were adopted and it was resolved on, among other things, a dividend of EUR 0.42 per share, discharge from liability for the board members and the managing director, re-election of the board members and the chairman of the board, authorisation for acquisition and transfer of own shares, reduction of the share capital through redemption of own shares and increase of the share capital through bonus issue as well as authorisation for the board of directors to issue shares, warrants and convertible debt. The minutes of the meeting, as well as other documentation from the meeting, are available on the company's website.

## Annual General Meeting 2021

The 2021 Annual General Meeting will take place on 16 April 2020. Notification of the meeting will be issued on the company's website, where requisite documents, such as information providing the basis for decisions, will also be made available prior to the meeting.

## Nomination Committee

The Annual General Meeting determines how the Nomination Committee should be appointed. At the 2020 Annual General Meeting, it was decided that the Chairman of the Board of Directors is to contact the three largest shareholders in terms of votes based on Euroclear Sweden AB's list of registered shareholders on the last business day of August. The three largest shareholders will be given the opportunity to elect one representative each to form the Nomination Committee along with one of the members of the Board of Directors who is independent in relation to the Company's management. If any of these shareholders chooses to waive their right to elect a representative, their right is transferred to the shareholder who, after these shareholders, has the largest share ownership. At her own request Cecilia Lager left the board of Evolution as of 31 December 2020 and thus also the Nomination Committee. She was replaced by Board Member Jonas Engwall. In preparation for the Annual General Meeting, the Nomination Committee is tasked with presenting proposals regarding:

- The chairman for the Annual General Meeting
- Number of Board members
- Board members and Chairman of the Board
- Board remuneration
- Possible remuneration for committee work
- Auditors and auditors' fees if such a decision is to be made
- Process for establishing the ensuing Nomination Committee.

The proposals of the Nomination Committee are presented in the notice of the Annual General Meeting and on the company's website. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed under the decision establishing the new Nomination Committee at the 2021 Annual General Meeting.

Member	Appointed by	Independent in relation to the company and its senior management	Share of votes as per 31 December 2020
Ian Livingstone	Richard Livingstone	Yes	6.9%
Peter Ihrfelt (Chairman)	Österbahr Ventures AB	Yes	12.9%
Alex Captain	Cat Rock Capital Management	Yes	2.4%
Cecilia Lager/Jonas Engwall	Board of Directors of Evolution Gaming Group AB	Yes	—

## Board of Directors

### Responsibilities and duties of the Board of Directors

The Board of Directors bears the overall responsibility for the organisation of the company and the management of its affairs and is to work in the interests of the company and all of its shareholders. The mandatory tasks of the Board of Directors include determining the company's overall targets and strategies, evaluating the Group CEO, ensuring that there are systems in place for monitoring and controlling the operations and the risks associated with them, ensuring that there is satisfactory control of the company's regulatory compliance and ensuring that the information issued by the company is characterised by openness and is accurate, relevant and reliable.

### Instructions and policies

The Board of Directors annually reviews and adopts the following corporate governance related instructions and policies among others:

- Rules of procedure of the Board of Directors
- Instructions for the Group CEO
- Rules of procedure of the Audit Committee
- Rules of procedure of the Remuneration Committee
- Code of Conduct
- Sustainability Policy.

## ANNUAL REPORT EVOLUTION 2020

## Composition of the Board of Directors

The Board of Directors is appointed by the shareholders at the Annual General Meeting for the period until the end of the next Annual General Meeting and, in accordance with the Articles of Association, shall consist of at least three and at most eight members with no deputies. The Annual General Meeting determines the precise number of members.

At the 2020 Annual General Meeting, Jens von Bahr (Chairman), Joel Citron, Jonas Engwall, Cecilia Lager, Ian Livingstone and Fredrik Österberg were elected as members of the Board of Directors. At her own request Cecilia Lager left the board of Evolution as of 31 December. For further details of each Board Member, see page 70-71.

In addition to being a Board Member, Jens von Bahr is also employed by the company as the Executive Chairman. He is not a member of the company's senior management. Under the terms of his employment, Jens von Bahr shall, in addition to, and separately from, his duties as Chairman of the Board, focus on strategic issues and establish and implement the Group's future growth plans in cooperation with the management team, customers and shareholders. As one of the founders of the Group, Jens von Bahr has special insight into the operations and the live casino industry and the markets in which the Group operates or may operate in the

future. He also has long-term and valuable relationships with customers and business partners. Consequently, having access to this experience at both the Board level and in the ongoing operations benefits both the company and its shareholders.

As an employee, the Executive Chairman reports to the Group CEO. The division of responsibilities between the Group CEO and the Executive Chairman is well regulated in the Board's rules of procedure and the company's instructions for the Group CEO. Jens von Bahr does not receive any remuneration for his duties as a member of the company's Board of Directors. In accordance with what was communicated in connection with the listing of the company on Nasdaq Stockholm in June 2017, the company expects that Jens von Bahr's employment also will be re-considered in the future but that the intention is that Jens von Bahr's employment as executive chairman shall continue after the 2021 Annual General Meeting.

Fredrik Österberg was employed by the company as Group Chief Strategy Officer until April 2018.

Member	Fees and salaries <sup>1)</sup>			Independent <sup>3)</sup>	Attendance <sup>2)</sup>		
	Board fee	Committee fee	Salary		Board meetings	Audit Committee	Remuneration Committee
Jens von Bahr	N/A	N/A	SEK 4,200,000	No/No	17	N/A	N/A
Joel Citron	EUR 30,000	N/A	N/A	Yes/Yes	17	4	1
Jonas Engwall	EUR 30,000	N/A	N/A	Yes/Yes	17	4	1
Cecilia Lager	EUR 30,000	N/A	N/A	Yes/Yes	17	N/A	N/A
Ian Livingstone	EUR 30,000	N/A	N/A	Yes/No	17	N/A	1
Fredrik Österberg	EUR 30,000	N/A	N/A	No/No	17	4	N/A

<sup>1)</sup> Fees refer to the amounts approved by the 2020 Annual General Meeting. For Board Members who are employees, the stated figure refers to annual salary.

<sup>2)</sup> Attendance refers to meetings during the 2020 financial year.

<sup>3)</sup> Independent in relation to the company and the company's management/to the largest shareholders.

## Independence

The number of Board members who are independent in relation to the company is four (67 percent) and the number of Board members who are independent in relation to major shareholders were three (50 percent) at the time the Board was constituted but rose to 67 percent at the end of the year. Ian Livingstone was not independent in relation to major shareholders as he is closely related to Richard Livingstone who at the time the Board was constituted owned approximately 16 percent of the shares and votes in the company but decreased his ownership to below 10 percent at the end of the year. Jens von Bahr and Fredrik Österberg together own approximately 12.9 percent of the shares and votes in the company (through Österbahr Ventures AB) and are therefore not independent in relation to major shareholders. Since Jens von Bahr is employed by the company as Executive Chairman and Fredrik Österberg has been employed by the company during the last three years they are also not independent in relation to the company or its senior management.

A Board member may not take part in decisions where a conflict of interest may exist. This comprises decisions regarding agreements between a Board member and the company, agreements between the company and third parties in which the Board member has a material interest that could constitute a conflict of interest for the company, as well as agreements between the company and the legal entity that the Board member represents.

## Working procedures and meetings

In addition to laws and recommendations, the work of the Board of Directors is governed by its rules of procedure. The rules of procedure have been adopted by the Board of Directors and include instructions concerning, among other things, Board meetings and their contents, the division of duties within the Board and information to the Board.

## Chairman of the Board in 2020

The Chairman of the Board is appointed by the Annual General Meeting. Jens von Bahr was elected Chairman of the Board by the 2020 Annual General Meeting for the period until the end of the next Annual General Meeting. Jens von Bahr is the Executive Chairman of the Board, meaning that he is employed by the company. See the Composition of the Board of Directors section on page 62 for further details of what this employment entails.

The Chairman's role is to organise the work of the Board so that it is run efficiently and generates conditions for optimum performance of the Board's commitments.

## Work of the Board of Directors in 2020

The Board of Directors held 17 meetings in 2020, of which one was a statutory meeting, three to approve interim reports and one to approve the year-end report. The Board of Directors was in full attendance at all meetings. All meetings followed an agenda that, on relevant points, was addressed with documentation provided to members prior to the meetings. As a rule, the meetings are also attended by the company's chief legal counsel as secretary, the Group CEO and CFO.

At each meeting, the Group CEO updates the Board Members on the company's operational and financial development. In addition, various senior executives and the auditor participate if necessary, to present various factual matters. The principal points addressed by Board meetings in 2020 included matters regarding, as well as the approval of, the business plan and budget, Group policies, and annual, year-end and interim reports.

*The matters addressed by the Board of Directors at the Board meetings in 2020 include:*

- **February**  
Adoption of interim report for the fourth quarter of 2019
- **March**  
The company's auditor participated in part of the meeting without the presence of the Group CEO or any other member of company management  
  
Approval of the annual accounts for 2019  
  
Evaluation of the work of the Board of Directors and the Group CEO  
  
Approval of the documentation for the 2020 Annual General Meeting  
  
Evaluation of the company's need for a specific audit function (internal audit)
- **April**  
Adoption of interim report for the first quarter of 2020  
Statutory Board meeting
- **July**  
Adoption of interim report for the second quarter of 2020
- **October**  
Adoption of interim report for the third quarter of 2020  
Adoption of various policies
- **December**  
Approval of 2021 budget.

## Assurance of quality in financial reporting

The formal work plan adopted annually by the Board includes detailed instructions about which financial statements and what financial information is to be provided to the Board. The Group CEO is responsible for the Board receiving, in addition to the year-end report, interim reports and annual accounts, regular information about the company's financial performance including its financial position and liquidity.

## ANNUAL REPORT EVOLUTION 2020

The Board of Directors also examines, primarily through its Audit Committee, the most significant accounting principles applied within the Group in respect to its financial reporting, as well as significant changes in the reporting principles. All Audit Committee meetings are recorded and the minutes kept available to all Board Members and the auditors.

#### Evaluation of the work of the Board of Directors

Through a systematic and structured process, the Board shall annually assess its work and the division of labour between individual members. The Chairman of the Board informs the Nomination Committee of the outcome of the evaluation. The Board continuously evaluates the work of the Group CEO and Group management. This evaluation shall be discussed at least once a year at a meeting of the Board without the Group CEO or any other member of Group Management being present.

#### Remuneration to the Board of Directors

Remuneration to the Board of Directors is proposed by the Nomination Committee, approved by the Annual General Meeting and paid to Board Members who are not employees of the company. At the 2020 Annual General Meeting, it was decided that a fee of EUR 30,000 should be paid to each Board Member not employed by the company.

No specific compensation is paid to the members of the Board committees.

Jens von Bahr is employed by the company and does therefore not receive any Board fee. Jens von Bahr receives an annual salary of SEK 4,200,000 from the company (including applicable retirement benefits and without entitlement to variable compensation). The fee paid to Jens von Bahr for his position in the company was approved by an Extraordinary General Meeting on 24 January 2017.

#### Diversity policy

The company's Board of Directors has adopted a diversity policy applicable to its own composition. According to this policy, the Board of Directors shall, taking into account the company's operations, stage of development and circumstances, be appropriately composed and characterised by versatility and breadth in terms of the expertise, experience and background of the members elected by the Annual General Meeting. The objective is to seek an even gender distribution on the Board of Directors. Evolution considers diversity important in ensuring that Board Members' profiles provide the necessary range of perspectives, experience and skills required to achieve effective governance. In preparing its proposal for the composition of the Board of Directors, the Nomination Committee takes into account the Code and the Board's Diversity Policy, seeking to achieve diversity on the Board of Directors.

#### Board committees

The Board of Directors has established a Remuneration Committee and an Audit Committee.

#### Remuneration Committee

The Remuneration Committee consists of Joel Citron (chairman), Ian Livingstone and Jonas Engwall. The Remuneration Committee's duties include preparing the following matters for decision by the Board:

- Salary, other remunerations and pension benefits for the Group CEO
- Salary, other remuneration and pension benefits for the Executive Chairman
- The company's remuneration policy and other terms of employment for the company's senior management
- Share option programmes and similar arrangements, as well as other rewards or forms of compensation referred to, target a wider range of Group employees.

The Remuneration Committee shall also monitor and evaluate both current and completed variable remuneration programmes for the company's senior management. In addition, the Committee shall monitor and evaluate the application of guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the company. During 2020, two meetings were held, at which all members attended.

#### Audit Committee

The Audit Committee consists of Joel Citron (chairman), Jonas Engwall, and Fredrik Österberg. The Audit Committee's tasks include:

- Preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the Group
- Monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management
- Regularly meeting the company's auditors and being briefed on the statutory audit, focus and scope of the audit, as well as discussing the coordination between the external and internal audit as well as the view of the risks in the company
- Establishing guidelines for which services, beyond audit services, the company may purchase from the auditors, as well as evaluating and monitoring the independence of the company's auditors and, in connection with this, paying particular attention to whether the auditor provides additional services to the company beyond auditing
- Evaluating the audit and informing the company's Nomination Committee of the outcome of this evaluation.

The Audit Committee shall also organise a selection process to prepare recommendations of auditors to the Nomination Committee when so required by applicable rules and assisting the Nomination Committee in preparing its proposals on auditors and compensation for auditing. During 2020, four meetings were held with full plenary.

## Division of labour between the Chairman of the Board and the Group CEO

The company has an Executive Chairman working mainly in the following areas: preparing long-term strategic issues beyond the Group CEO's strategic work within current business plans, ongoing evaluation of strategic partnerships and acquisitions, as well as assisting Group Management in strategic projects and in connection with the recruitment of key competencies. The Group CEO's instructions clarify that the duties of the Executive Chairman as an employee should not interfere with the duties of the Group CEO and that the Executive Chairman may not perform any ongoing management tasks. The Board of Directors' rules of procedure state that the work performed by the Chairman of the Board as an employee is separate from, and in addition to, his work as Chairman of the Board. In addition to duties explicitly in line with his employment contract and the Group CEO's instruction, he may not perform any assignments for the company that go beyond the work of the Chairman of the Board, unless approved by the Board of Directors.

## Auditors

Auditors are elected by the Annual General Meeting. The auditor shall examine the company's annual report and accounts as well as the management by the Board of Directors and the Group CEO. The auditor shall also examine the group accounts, as well as the relationship inter se of group companies. In accordance with the Articles of Association, Evolution shall have one or two auditors. The auditors shall be appointed for the time period until the end of an annual general meeting held not later than during the fourth financial year after the election. The Annual General Meeting held in 2020 re-elected Öhrlings PricewaterhouseCoopers AB as the company's auditors up until the close of the Annual General Meeting held in 2021. The auditor in charge is Johan Engstam, who was born in 1966 and is an authorised accountant.

## Group CEO and Group Management

Evolution's Group Management has extensive experience and works to achieve long-term profitable growth in line with the company's strategy and vision. The Group CEO is appointed by, and receives instructions from, the Board of Directors. In turn, the Group CEO appoints the other members of Group Management and is responsible for the ongoing administration of the Group in accordance with the Board's guidelines and instructions. The Group CEO reports to the Board of Directors, ensuring that it receives the information needed to make informed decisions. The Group CEO shall also ensure that matters to be addressed by the Board in accordance with applicable legislation, the Articles of Association and internal policies and guidelines are presented to the Board of Directors. The Group CEO attends, and reports to, all Board meetings, except on those occasions when

the Group CEO is evaluated by the Board as well as when the Board meets the company's auditor without management attending. Group Management embodies expertise covering all key areas of the company's business and strategy, including the CEO of Evolution's operating subsidiary Evolution Malta Limited. Evolution Malta Limited has a management team that addresses matters related to the operational activities.

## Working instructions for the Group CEO

The Board of Directors has developed and adopted instructions covering the Group CEO's responsibilities and tasks, as well as entitlement to represent the company. Within the framework of applicable laws, the Articles of Association, the Board of Director's formal work plan, the Group CEO's instructions and other instructions issued by the Board, the Group CEO is responsible for overseeing the company's day-to-day operations. The Group CEO is also responsible for ensuring that the Board receives information regularly to be able to monitor the company's financial position, financial planning and development. Prior to each regular Board meeting, the Group CEO shall submit information as requested by the Board in assessing the company's financial situation, including reports, metrics, proposed business plan and budget, forecasts, interim reports, financial statements and annual reports.

## Remuneration to senior executives

The 2020 Annual General Meeting established guidelines for senior executives for the period up until the Annual General Meeting held in 2021. Senior executives refer to the Group CEO and the Group management of Evolution. The guidelines should also apply to remuneration for members of the Board who are employed by the company, and what is stipulated in the guidelines regarding senior executives should when applicable also apply to members of the Board who are employed by the company. For information on the composition of the Group Management, see page 72-73.

The objective of the guidelines is to ensure that the company can attract, motivate and retain senior executives with the expertise and experience required to achieve company's operating goals. The remuneration shall be based on conditions that are market competitive and at the same time aligned with shareholders' interests. Remuneration to the senior executives shall consist of a fixed and, for some senior executives, variable salary. These components shall create a well-balanced remuneration reflecting individual competence, responsibility and performance, both short-term and long-term, as well as the company's overall performance.

## ANNUAL REPORT EVOLUTION 2020

**Fixed salary**

The senior executives' fixed salary shall be competitive and based on each senior executive's individual competences, responsibilities and performance. A review of the fixed salary shall be carried out on an annual basis for each calendar year.

**Variable compensation**

The senior executives (however not the board member employed by the company) may receive variable remuneration in addition to a fixed salary.

Annual variable remuneration is to be cash based and be based on predetermined and measurable performance criteria for the relevant senior executive aimed at promoting the company's long term value creation. The performance criteria are to be established and documented annually. Depending on the level of performance achieved, annual variable remuneration can vary from no variable payment up to fifty percent of the annual base salary (however, one senior executive is entitled to variable compensation up to a hundred percent of his annual base salary under his existing employment agreement).

**Incentive programmes**

The shareholders' meeting shall be able to decide on long-term share and share-price related incentive programmes directed to, among others, the senior executives (however not to board members who are employees of the company). Such incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders and so that a personal holding of shares in the company is promoted.

**Other benefits**

The company provides other benefits to senior executives in accordance with local practice. Such other benefits can include, for example company health care. Occasionally, housing allowance, paid schooling for underage children or travel allowances could be granted.

**Notice of termination and severance pay**

The maximum notice period for senior executives during which salary is paid is 12 months. Severance compensation may be paid in an amount not greater than 12 months' fixed salary.

**Deviations from guidelines**

The Board of Directors may deviate from the above guidelines where a special cause exists in an individual case. In the event the Board of Directors deviates from the guidelines, it shall explain the reason for the deviation at the following Annual General Meeting.

**Incentive programmes****2021/2024 programme**

The Extra General Meeting on 28 January 2021 resolved to issue a maximum of 5,000,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 1,113.80 during the period from and including 20 March 2024 (however not earlier than the day after the publication of the company's interim report for the period January–December 2023) up to and including the date that falls 30 calendar days thereafter.

The recipients of the warrants are key employees throughout the Group. Participants in the incentive programme have been offered to acquire warrants at market value, and for each warrant acquired at market value the participants have received an extra warrant. For warrants acquired at market value, the price (premium) has been determined based on Black & Scholes valuation model and the valuation has been done by Svalner Skatt & Transaktion KB. The program has been handled differently in different countries, due to local deviations in, among other things, legislation and applicable accounting rules.

**2020/2023 programme:** The Extra General Meeting on 16 January 2020 resolved to issue a maximum of 4,000,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 373.90 during the period from and including 31 March 2023 (however not earlier than the day after the publication of the company's year-end report for the period January–December 2022, the "First Exercise Date") up to and including the date that falls 30 calendar days thereafter.

In total 4,000,000 warrants were subscribed, of which 15,000 were bought back at the end of 2020. If all 3,985,000 warrants are exercised for subscription of 3,985,000 shares, the dilution effect will be approximately 1.9 percent.

The recipients of the warrants are key employees throughout the Group. Employees in Sweden have paid the market value for the warrants. Employees outside Sweden have paid the market value for one warrant, while receiving one without payment for each that had been paid for. For warrants acquired at market value, the price (warrant premium) has been determined using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt.

**2018/2021 programme:** The Annual General Meeting on 20 April 2018 resolved to issue a maximum of 3,088,510 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 141.06 during the period from the day after the publication of the interim report for the second quarter of 2021 until the date that follows 30 calendar days after the publication of the interim report for the second quarter 2021 (however not later than on 30 September 2021).

In total 1,880,030 warrants were subscribed. During 2019, a total number of 118,750 warrants have been bought back

by the Company. If all 1,761,280 warrants are exercised for subscription of 1,761,280 shares, the dilution effect will be approximately 0.8 percent.

The recipients of the warrants are key employees throughout the Group. Participants in the incentive programme have been offered to acquire warrants at market value, and for each warrant acquired at market value the participants have received an extra warrant. For warrants acquired at market value, the price (premium) has been determined based on Black & Scholes valuation model and the valuation has been done by EY. The program has been handled differently in different countries, due to local deviations in, among other things, legislation and applicable accounting rules.

	2020/2023	2018/2021
Exercise price, SEK	373.90	141.06
Grant date	27/02/2020	01/07/2018
Expiry date	30/04/2023	30/09/2021
Number of recipients	111	53
<b>Total number of warrants subscribed</b>	<b>3,985,000</b>	<b>1,761,280</b>

The number of warrants, shares and exercise price in programme 2018/2021 have been adjusted to reflect the 5x1 share split that took place in May 2019.

During July-August 2019, the incentive programme 2016/2019 adopted on the Annual General Meeting on 28 April 2016 exercised. In total 1,770,840 new shares were subscribed for by a number of key individuals in the Company. Total dilution amounted to 0.98 percent.

## Risk management and internal control

Evolution's control system has been developed to ensure accurate, reliable financial reporting and accounting in accordance with applicable laws and rules, accounting standards and other requirements for listed companies. The foundation of the control environment is defined through policies, routines and manuals, and is upheld with the help of the company's organisational structure with clearly defined responsibilities.

### Control environment

The Board of Directors bears the ultimate responsibility for an effective system of internal control and risk management being in place. Critical accounting issues and issues related to financial reporting are addressed by the Board and in the Board's Audit Committee. To ensure a well-functioning control environment, the Board of Directors has established a number of policies relevant to corporate governance and financial reporting. These include the Board's rules of procedure, Group CEO instructions and reporting instructions for financial reporting. The company also has a financial handbook, which includes principles, guidelines and process descriptions for accounting and financial reporting. At the statutory Board meeting following the Annual General Meeting, a formal work plan is established for the Board and instructions for the work of the Group CEO are determined, in which responsibilities and powers are further defined.

The Board has appointed an Audit Committee, tasked with preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the group, as well as monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management.

The CFO regularly reports to the Audit Committee and works together with the company's finance function to develop and improve the internal control with regards to the Group's financial reporting, both proactively with a focus on the internal control environment, and by reviewing the effectiveness of internal control.

Responsibility for the daily work of maintaining the control environment rests primarily with the Group CEO. The Group CEO reports regularly to the company's Board of Directors.

The Board of Directors in its entirety or any one Board Member together with the Chairman of the Board may sign on behalf of the company. In addition, the company's CFO and CLO together are entitled to sign on behalf of the company.

In accordance with the Swedish Companies Act, the Group CEO may sign alone on behalf of the company regarding duties which the Group CEO is obliged to carry out pursuant to section 29 of the Swedish Companies Act.

## Risk assessment

The Group has established a Risk Management Committee, in which representatives of various relevant parts of the organisation meet quarterly to assess, discuss and mitigate potential risks. The Group has also adopted procedures and established internal risk management control systems, including an annual risk analysis for all business areas within the Group, where the purpose is to identify, evaluate and manage risks threatening the Group's objectives and strategies. The risk analysis is divided into strategic, operational, compliance, legal and financial risks. To ensure a relevant level of control, each business area has established a number of control activities counteracting the most significant risks identified in the risk analysis. A self-assessment of these control activities is performed annually and reported to the Risk Management Committee, which compiles and evaluates the results and reports to the Audit Committee and the Board of Directors.

### Risk assessment directly related to the provision of gaming services

As certain jurisdictions have laws that explicitly consider the offering of, and participation in, gaming services conditional on particular licences or a criminal offence, the Group continuously undertakes precautionary measures, including Know Your Customer (KYC) checks of licensees and requiring, in its agreements, that operators comply with the laws and regulations applicable to them.

## ANNUAL REPORT EVOLUTION 2020

These provisions in the agreements constitute a form of legal protection and prevent certain end users from accessing the Group's products and services. The Group's customers (i.e. the casino operators) are responsible for the end users' access to their online gaming platforms at the local level and in accordance with local laws and regulations.

#### Monitoring

Monitoring of control activities is conducted continuously to ensure that risks have been satisfactorily observed and addressed. This includes tracking of results in relation to budget and plans, analyses and key figures. The Board of Directors continuously evaluates the information provided by the company's management team. The process includes both reconciliation of monthly financial reports against budgets and goals and reporting at Board meetings. Through the Audit Committee, the Board of Directors reviews and assesses the internal control organisation and function. The company's policies and instructions are evaluated and updated annually at a minimum or when needed.

The company's CFO presents the results of internal control work as a standing agenda item at Audit Committee meetings.

The results of the Audit Committee's work in the form of observations, recommendations and proposals for decisions and measures are continuously reported to the Board of Directors.

#### Information and communication

The company has information and communication channels to promote the accuracy of the financial reporting and to facilitate reporting and feedback from the operations to the Board of Directors and the Group Management, for example by making governing documents such as internal policies, guidelines and instructions regarding the financial reporting available and known to the employees concerned.

The company is subject to the provisions of the EU Market Abuse Regulation No. 596/2014 (MAR). MAR sets out requirements on how inside information is to be published to the market, under which conditions the disclosure may be delayed and in what way the company is obliged to keep a list of persons working for the company and who has access to inside information. The company has assigned a digital and semi-automated tool to ensure that its handling of inside information meets the requirements of MAR and its insider policy. Only authorised persons in the company have access to the tool.

The company's financial reporting complies with Swedish laws and regulations and the local rules in each jurisdiction where operations are conducted. The company's information to shareholders and other stakeholders is provided through the interim reports, press releases and annual report according to the Group's Communication Policy.

#### Internal audit

The company has no separate review function (internal audit).

The Board does not consider there to be special circumstances in operations or other conditions that would warrant such a function.

# NOTES

## TABLE OF CONTENTS

<b>Note 1. Accounting and valuation principles</b>	<b>86</b>
<b>Note 2. Revenues</b>	<b>94</b>
<b>Note 3. Employees</b>	<b>94</b>
<b>Note 4. Financial income</b>	<b>95</b>
<b>Note 5. Financial expenses</b>	<b>95</b>
<b>Note 6. Income tax and deferred tax</b>	<b>96</b>
<b>Note 7. Earnings per share</b>	<b>96</b>
<b>Note 8. Intangible assets</b>	<b>97</b>
<b>Note 9. Property, plant and equipment</b>	<b>98</b>
<b>Note 10. Participations in Group companies</b>	<b>98</b>
<b>Note 11. Accounts receivable</b>	<b>100</b>
<b>Note 12. Other current receivables</b>	<b>100</b>
<b>Note 13. Prepaid expenses and accrued income</b>	<b>100</b>
<b>Note 14. Cash and cash equivalents</b>	<b>100</b>
<b>Note 15. Other current liabilities</b>	<b>100</b>
<b>Note 16. Accrued expenses and deferred income</b>	<b>100</b>
<b>Note 17. Leasing - Group</b>	<b>100</b>
<b>Note 18. Auditor remuneration</b>	<b>102</b>
<b>Note 19. Pledged assets</b>	<b>102</b>
<b>Note 20. Liabilities to credit institutions</b>	<b>102</b>
<b>Note 21. Transactions with related parties</b>	<b>102</b>
<b>Note 22. Share related remunerations</b>	<b>102</b>
<b>Note 23. Financial risk management</b>	<b>103</b>
<b>Note 24. Critical estimates and assessments</b>	<b>106</b>
<b>Note 25. Acquisitions</b>	<b>106</b>
<b>5-Year Summary</b>	<b>108</b>
<b>Key Ratios not defined in accordance with IFRS</b>	<b>109</b>



## ANNUAL REPORT EVOLUTION 2020

**NOTE 2. REVENUES**

The Group CEO considers the Group to consist of a single segment, i.e. the provision of solutions for live casino and associated services to gaming operators.

The Group's revenue derives from fees from gaming operators that use the Group's solutions for live casino and from other associated services.

Revenue recognition at a point in time refers to dedicated environment set up fees, capital gains of fixed assets and other operating income.

Revenues recognised over time are mainly commission fees from contracted partners and dedicated table service fees.

**2 (a) Disaggregation of revenue from contracts with customers per invoicing jurisdiction**

	Sweden		Malta		Latvia		Georgia		North America		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total revenues	27,317	7,120	548,424	349,340	85,807	92,899	26,647	18,471	26,191	15,903	267,787	140,702	982,173	624,435
Of which Intercompany	27,024	7,120	223,637	105,732	85,807	89,685	21,686	18,468	21,875	14,627	41,010	23,051	421,039	258,683
Revenue from external customers	293	–	324,787	243,608	–	3,214	4,961	3	4,316	1,276	226,777	117,651	561,134	365,752
Timing of revenue recognition														
At a point in time	48	–	2,132	5,256	–	8	203	–	9	37	1,320	1,954	3,712	7,255
Over time	245	–	322,655	238,352	–	3,206	4,758	3	4,307	1,239	225,457	115,697	557,422	358,497
<b>TOTAL</b>	<b>293</b>	<b>–</b>	<b>324,787</b>	<b>243,608</b>	<b>–</b>	<b>3,214</b>	<b>4,961</b>	<b>3</b>	<b>4,316</b>	<b>1,276</b>	<b>226,777</b>	<b>117,651</b>	<b>561,134</b>	<b>365,752</b>

**2 (b) Liabilities related to contracts with customers**

Group	2020	2019
Opening balance	3,656	818
Revenues recognised from opening balance liabilities	-3,375	-807
Liabilities recognised	4,166	7,075
Revenues recognised	-2,660	-3,430
Translation difference	-65	–
<b>Closing balance</b>	<b>1,722</b>	<b>3,656</b>

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. Table 2 (c) shows the geographic markets from which Evolution's revenues originate.

**2 (c) Revenue per geographical region**

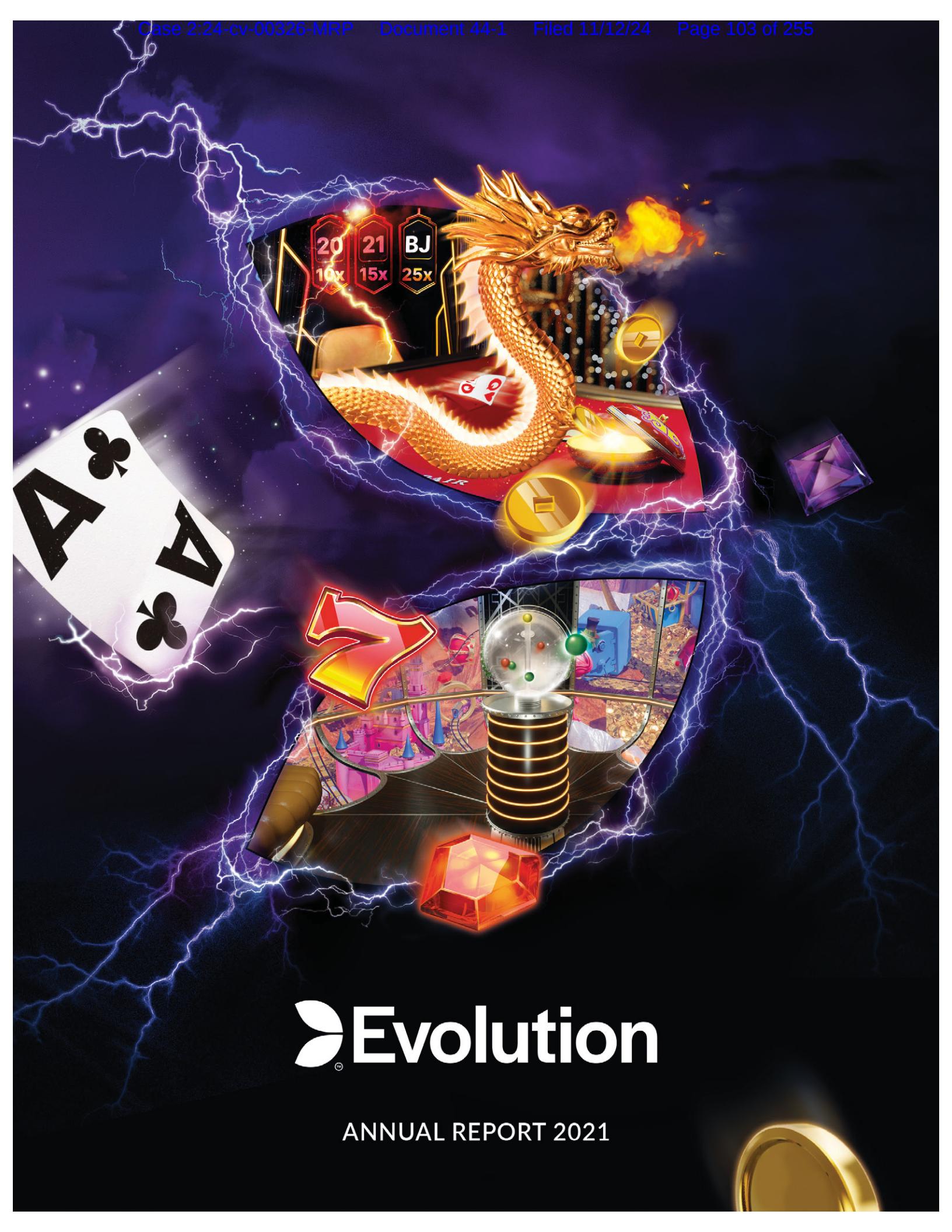
Group, EUR millions	2020	2019
Nordics	29.8	24.3
Great Britain	43.9	49.9
Rest of Europe	268.9	184.3
Asia	125.7	49.6
North America	37.4	22.0
Other	55.7	35.5
<b>Total operating revenues</b>	<b>561.1</b>	<b>365.8</b>
Revenues regulated markets	196.0	156.7
Regulated markets' share	35%	43%

Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. Great Britain includes the Crown Dependencies. Evolution Group has one customer (none in 2019) that singlehandedly contributed 10 percent or more to the Group's revenue.

**NOTE 3. EMPLOYEES**

Personnel expenses	2020			2019		
	Senior executives	Other employees	Total	Senior executives	Other employees	Total
Salary and other remunerations	5,092	115,116	120,208	4,089	106,930	111,019
Pension expenses	83	781	864	88	449	537
Oth. soc. security expenses	1,061	16,106	17,167	748	15,919	16,667
Other personnel expenses			6,629			6,371
Own work capitalised			-11,116			-8,175
<b>Total personnel expenses</b>	<b>6,236</b>	<b>132,003</b>	<b>133,752</b>	<b>4,925</b>	<b>123,298</b>	<b>126,419</b>

# **EXHIBIT 6**



ANNUAL REPORT 2021

## Table of contents

The year in brief	02
Group CEO comments	04
<b>STRATEGIC REPORT</b>	
Our business model, vision and strategy	08
Our marketplace	10
Our operations	12
A unique record of innovation and growth	15
Our global studios	16
Our world-leading online casino games portfolio	18
Our growing customer base	24
The Evolution share	26
<b>SUSTAINABILITY REPORT</b>	
Sustainability report	30
Our people	34
Our societies	36
Our environment	38
Diversity	40
Responsible gambling	42
Ethical business practices	44
<b>GOVERNANCE</b>	
Directors' report	50
Corporate governance report	56
Our Board of Directors	66
Our group management team	68
<b>FINANCIAL STATEMENTS</b>	
Financial reports	71
Notes	81
Declaration by the Board of Directors	106
Auditor's report	107
Glossary and definitions	114



## GOVERNANCE

Directors' report	50
Corporate governance report	56
Our Board of Directors	66
Our group management team	68

## FINANCIAL STATEMENTS

Financial reports	71
Notes	81
Declaration by the Board of Directors	106
Auditor's report	107
Glossary and definitions	114

## Our growing customer base

Evolution's customer portfolio includes a large number of the major global online operators, platform providers and a growing number of land-based casinos. The main growth will derive from the existing customer portfolio, since operators generally extend the scale of their live offerings. Evolution can also follow existing customers into new markets.

### Customer portfolio

Evolution's customer portfolio, including all brands, consisted of over 600 customers at the end of 2021 and comprises online operators and land-based casinos. The online operators typically offer a wide range of different gaming verticals including RNG games, such as slots, live casino, sportsbook, as well as poker and bingo.

### New customers in 2021

In 2021, agreements were signed with Dutch operators Jvh Gaming & Entertainment Group and Janshen-Hahnrats Group; Entain plc group's Ladbrokes and Coral brands in the UK; Super Group owned Betway for the provision of Evolution's online live casino and 'First Person' RNG-based casino games in the US states of New Jersey and Pennsylvania; Cordish Gaming Group, a division of The Cordish Companies, to deliver its live casino and First Person RNG-based games to players in Pennsylvania; Ontario Lottery and Gaming Corporation and Alberta Gaming, Liquor & Cannabis, both in Canada; BetWarrior in Argentina; SunBet, the online betting arm of Sun International Hotel and Casino Group in South Africa. Agreements were also concluded with a number of smaller operators and platforms, while many existing agreements were expanded to cover additional services and tables.

### Risk assessment for new customers

As a B2B provider, Evolution's revenues are generated via gaming operators and casinos. The company has stringent monitoring processes in place to detect attempts at fraud and money laundering, but it is the operators that handle all monetary transactions with their end users.

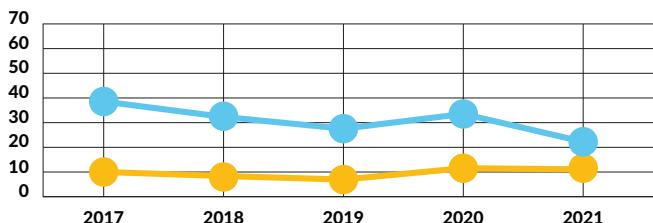
The company has established a due diligence processes for when new agreements are signed and to continually evaluate existing customers. Evolution is always able to discontinue its services to operators that fail to comply with the relevant regulations, or that in some other way jeopardise Evolution's market position and/or gaming licences.

### Customer dependency

The majority of Evolution's largest customers have strengthened their focus on live casino in recent years. We partner with our customers and work closely with them in all aspects of their operations. Evolution's largest customer accounted for approximately 11 percent (11) of revenues in 2021, and the five largest customers accounted for roughly 22 percent (33) of revenues.

### Customer dependency (% of revenues)

— Five largest customers — Largest customer

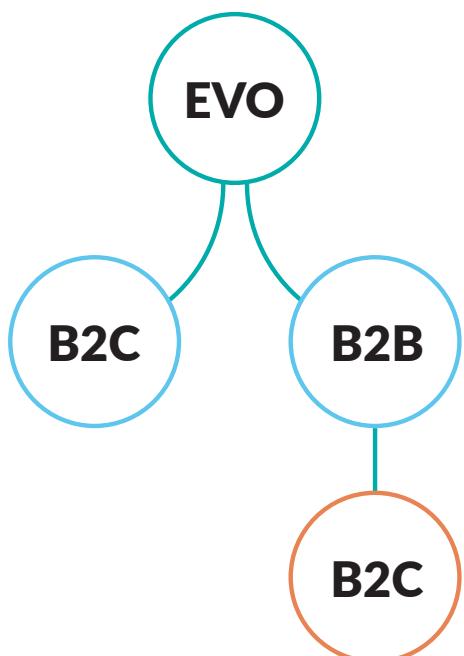




## Due Diligence Process

Evolution innovates, develops, and produces content for online casino on a B2B basis. Our content can only be played through the interface of an operator who adds important aspects of the gaming experience e.g. authentication of the player, player account management and user interface.

Evolution only provides its products to customers with a valid license for online casino granted by a country or a state (jurisdiction) and monitored for compliance by the relevant regulatory instance. Evolution supplies both licensed B2C casino operators, which then supply the games to players, and licensed B2B-actors, which then supply the games to B2C licensed operators, which in turn offer them to players.



Similar to other regulated industries, it is the regulator's mandate to issue licenses and monitor license holders' compliance. Evolution performs a robust KYC of any direct contractual partner, whether B2C or B2B. Evolution demands all B2B operators to perform a robust KYC on their B2C customers (our sublicensees) and Evolution performs an abridged due diligence on those sublicensees before approving them.

Prior to accepting a new customer, Evolution performs due diligence. The due diligence is stipulated by the regulator for the related jurisdiction and includes:

- Governance structure presentation – which includes unique beneficial owner background checks
- That the customer is licensed for their target markets
- For customers with a B2B-license, Evolution requires the customer to report any new operator and present their operator's license
- The due diligence is repeated annually
- As part of the KYC Evolution also performs a Business Risk Assessment whereby each customer is rated against a risk matrix
- In addition, Evolution has an on-going dialogue with all relevant regulators, and we are regularly audited by the regulators. Any identified means to refine our processes is of course implemented accordingly.

In the annual due diligence reviews of existing customers, all suspected irregularities that apply to Evolution are carefully investigated. If a customer fails to meet the terms and conditions or requirements in the contract, Evolution reserves the right to terminate the agreement. If a regulator suspects non-compliance in relation to Evolution products, Evolution works with the regulator to investigate the situation and take relevant action and in the event that a regulator would withdraw a customer's license, Evolution would discontinue that customer.

## Directors' report

The Board of Directors and the Group CEO of Evolution AB (publ) 556994-5792 ("Evolution") hereby present the annual accounts for the Group and the Parent Company for the 2021 financial year.

### Operations

Evolution develops, produces, markets and licenses fully integrated live casino and slots solutions to gaming operators. In live casino, a game presenter, i.e. dealer, runs the game from a casino gaming table that is followed in real time via a video stream. End users, i.e. the players, make betting decisions on their devices (computers, smartphones, tablets, etc.).

Evolution is a B2B supplier and, at the end of 2021, the Group had more than 600 customers, including a majority of the foremost online casino operators in Europe and the USA, as well as a number of land-based casinos. The operators market the products to the end users.

Evolution's live casino platform is unique in its kind and covers all aspects required by a gaming operator – from the recruitment and training of game presenters and other staff to streaming, production, supervision, customer services and follow-up. Operators are offered a fully customised solution with a high degree of adaptability such as standard and VIP tables, control of how the environment looks and dedicated dealer teams. The Company has a broad portfolio of core games including both classic table games and new innovative casino games. Various game derivatives are also available, i.e. variations of the core games with new technical solutions and new content.

Evolution has production studios in Riga, Latvia, Tbilisi, Georgia and Fort Mriehel, Malta, where a majority of the operations are conducted. In addition, the Company has studios in New Jersey, Pennsylvania and Michigan, USA as well as Vancouver, Canada and Kaunas, Lithuania. The Company also runs on-premise studios at land-based casinos in Belgium, Romania, the UK and Spain. The Parent Company of the Group is located in Stockholm, Sweden.

Evolution's revenues consist of fixed and variable consideration from the Company's customers. A majority of the revenue derives from commission, which is calculated as a percentage of the customer's profit generated by the Company's live casino platform. Through commission, Evolution gains beneficial exposure to the general growth of the global live casino market. In addition to commission, a proportion of the Company's revenue derives from fees for dedicated tables. These are invoiced to customers who have chosen to offer their end users dedicated tables.

### Business concept and vision

Evolution's business concept is to offer gaming operators in regulated markets an unparalleled, locally adapted online casino service for all digital platforms. Its mission is to make operators successful and provide an excellent gaming experience for their end users. Evolution's vision is to be the leading online casino provider in the world.

### Significant events in 2021

- Launch of 10 new live games, including titles in the unique game shows category
- Investments in studios throughout the year to meet global demand for online casino
- Agreements with several key new operators
- Acquisition of Big Time Gaming, global supplier of online slot games and DigiWheel, developers of a unique HD spinning gaming wheel
- The Board proposes a dividend of EUR 1.42 per share (0.68).

### Market

The global online casino market (Live & RNG) developed strongly in 2021 and, according to the independent institute H2 Gambling Capital, it had an estimated value of EUR 23,885 million (19,387) at year-end. The North American online casino market had an estimated value of EUR 5,156 million (3,029) at year-end and the European EUR 14,136 (12,462). The development of online gaming is underpinned by technological progress and new distribution channels, as well as strong demand from gaming operators and their end users. RNG is the largest vertical with approximately 68 percent of the online casino market. Live casino has traditionally been an add-on product in operators' online casino interface, but it has now become an integrated and strategically important product since it provides opportunities for brand differentiation.

Evolution has a leading position among live casino operators in both Europe and North America. The Company intends to continue strengthening its leading position in the market by having a clear focus on activities that promote the business and the offering. The three strategic core areas — product innovation, customer optimisation and operational excellence — are considered to be of particular importance for a

continued expansion of the advantage held compared to other players in the market and the creation of a stable foundation for continued growth.

### New agreements and customers

In 2021, agreements were signed with Dutch operators JVH Gaming & Entertainment Group and Janshen-Hahnrats Group; Entain plc group's Ladbrokes and Coral brands in the UK; Super Group owned Betway for the provision of Evolution's online Live Casino and 'First Person' RNG-based casino games in the US states of New Jersey and Pennsylvania; Cordish Gaming Group, a division of The Cordish Companies, to deliver its Live Casino and First Person RNG-based games to players in Pennsylvania; Ontario Lottery and Gaming Corporation and Alberta Gaming, Liquor & Cannabis, both in Canada; BetWarrior in Argentina; SunBet, the online betting arm of Sun International Hotel and Casino Group in South Africa. Agreements were also concluded with a number of smaller operators and platforms, while many existing agreements were expanded to cover additional services and tables.

### Revenues and profit

#### Revenues

Evolution's total operating revenues amounted to EUR 1068.8 million (561.1) in the financial year ending on 31 December 2021. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised live casino environments.

#### Expenses and profit

Total operating expenses amounted to EUR 414.8 million (261.4). The Company's personnel expenses rose to EUR 207.2 million (133.8), mainly driven by higher expenses for personnel in connection with the launch of new tables in the Company's studios.

Depreciation, amortisation and impairments amounted to EUR 80.6 million (32.5), an increase explained primarily by the expansion of the Company's studios. Other operating expenses rose to EUR 127.0 million (95.2), driven by expenses for premises, consumables and communications. Operating profit for the year amounted to EUR 654.0 million (299.7) with an operating margin of 61.2 percent (53.4).

Financial items only had a marginal impact on the profit and amounted to negative EUR 6.5 million (-1.0).

The Group's effective tax rate for the year amounted to 6.5 percent (4.7). The effective tax rate is chiefly affected by the countries in which Evolution conducts operations and generates profit, which may vary between reporting periods. Profit for the year amounted to EUR 605.4 million (284.6).

### Investments

On 30 June 2021, Evolution acquired Big Time Gaming Pty Ltd (BTG). The up-front consideration was paid in cash and Evolution shares, corresponding to EUR 80 million and EUR 147.8 million respectively. In addition, Evolution will pay earn-outs, based on BTG's EBITDA for the years 2022/23 and 2023/24. Maximum earn-out is EUR 230 million, payable in 2023 and 2024, of which 70 percent in cash and 30 percent in Evolution shares.

On 1 September 2021 Evolution acquired Transigo Ltd (DigiWheel). The up-front consideration of EUR 1 million was paid in cash. In addition, Evolution may pay an earn-out, five times DigiWheel's profit for year 2024 or a maximum of EUR 250 million. See also Note 23.

The Group's investments in intangible assets amounted to EUR 28.3 million (13.6) in 2021. Investments in intangible assets refer to the development of new games and technical improvements of the platform, such as new functionality. Development projects during the year included the development of new games that will be launched in 2022, but also exclusive content rights.

Investments in property, plant and equipment amounted to EUR 33.3 million (23.3). Investments in property, plant and equipment primarily comprised new studio space and premises, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

Investments in computer equipment were also made to meet needs in connection with the organisation's expansion, as well as in studio equipment in the Company's production studio.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 598.9 million (316.1) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 155.0 million (6.8). A description of the investing activities is provided in the Investments section above. Cash flow from financing activities was negative in the amount of EUR 248.5 million (negative 279.9) and included dividend to shareholders of EUR 144.4 million (76.1) and buy back of own shares of EUR 123.3 million (9.9). 2020 included redemption of NetEnt's credit facilities of EUR 184.7 million. Cash and cash equivalents amounted to EUR 421.4 million (221.7) at year-end.

### Employees

As of 31 December 2021, Evolution employed 13,410 (9,506) people, corresponding to 8,987 (6,818) full-time equivalents. The average number of full-time equivalents for the full-year was 7,917 (5,118).

## ANNUAL REPORT EVOLUTION 2021

**Sustainability**

Evolution AB's sustainability report is prepared in accordance with the requirements of the Annual Accounts Act (chapter 6, paragraph 12) on sustainability reporting. The sustainability report is on pages 30-45.

**Parent Company**

The Parent Company is a holding company that was formed in December 2014. Operating revenues for the 2021 full-year amounted to EUR 19.2 million (9.4) and expenses to EUR 19.0 million (9.2). Operating profit amounted to EUR 0.3 million (0.2). Profit for the period amounted to EUR 250.9 million (200.2). The Parent Company's cash and cash equivalents amounted to EUR 80.0 million (34.4) at the end of the year and equity amounted to EUR 2,829.3 million (2,666.3). No significant investments were made in intangible or tangible assets. During the year, the Company received dividends from the Maltese subsidiary amounting to EUR 250 million (200).

**Risk factors**

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, sustainability and financial risks. When assessing the Company's future development, it is important to take into account the risk factors alongside any opportunities for profit growth. The risk factors are not set out in any particular order, importance or potential impact on the Group's revenue, profit or financial position.

Neither should these be seen as exhaustive, but rather as representing risks that are applicable to Evolution and that are monitored and evaluated by the Group management. In addition, the risks below are not the only risks to which the Group may be exposed. The Company may be unaware of certain risks. Financial risks are described in Note 21 Financial risk management.

**Political decisions and other legal aspects**

Evolution generates the majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate and/or re-regulate the gaming industry. Direct enforcement actions may be taken against a member of the Group or any of its officers or directors, particularly in instances where the provision of the Group's services to a gaming operator is critical to the underlying gaming transactions. Should any of these events occur, the impact could have a material adverse effect on Evolution's business, financial position and profit.

Although the gambling laws and regulations of many jurisdictions do not specifically apply to the supply of services by licensors of gaming software, certain jurisdictions have

sought to regulate or prohibit the supply of such services. While Evolution currently holds all licences and certifications deemed necessary to carry out its business, national gambling laws are under review and changing in European countries. The Company may be subject to such laws, directly or indirectly, insofar as it supplies services to customers that are subject to such laws. Changes in the regulatory frameworks of different jurisdictions could impact the Group's business in that such changes may lead to an increase in the number of market participants and competitors, result in customers losing their licences and permits to operate in such jurisdictions or break up monopolistic gaming operators, which could impact the Group's underlying contractual relationships.

Furthermore, many jurisdictions have not updated their laws to address the supply of remote gaming services from other countries, and courts may interpret older legislation unfavourably or determine that the activities of the Group and/or its customers are illegal. For example, a court or regulator may order that certain equipment be located in the jurisdiction in which products and services are offered, which could materially and adversely impact Evolution's operations and the business of its customers. Furthermore, several European countries have introduced, or are in the process of introducing, new online gaming regulations, which will require online gaming operators, and in some cases even providers, to hold, e.g., a country specific licence, pay gaming taxes, operate from a country domain and report gaming statistics in order to bring operators (and end users) under supervision. Although Evolution monitors the regulatory environment, legislation could be interpreted in an unfavourable or unanticipated manner. If regulatory or enforcement actions are brought against any of Evolution's customers, the Group's revenue streams from such customers may be frozen or traced by authorities, even if no Group entity is made a party to any legal proceedings against such customers. As a result, end users may face problems transferring funds in and out of certain jurisdictions, which may impact payments to gaming operators and hence Evolution.

In addition to gaming laws and regulations, Evolution is subject to a wide variety of laws and regulatory requirements. For example, the Group must comply with anti-money laundering regulations, market abuse regulations, data protection and privacy regulations (including GDPR), and is required to share bet and other transactional data with local regulators in certain markets. Compliance with all such laws and regulations laws is complex and expensive. The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could result in sanctions. Any failure by Evolution to comply with these other laws and regulatory requirements could have a material adverse effect on the Group's business, financial position and profit.

### Operations subject to official approval

Evolution has obtained and is obliged, given the nature of the software, services and technology it supplies, to maintain its licences and certifications in a number of jurisdictions, and may in the future be required to obtain licences and/or certifications in other jurisdictions. If any of these are withdrawn or are not renewed on equivalent terms (e.g. where there is a change in view as to what equipment needs to be located locally), the Company may not be able to continue to operate and offer services in certain jurisdictions. Additionally, to the extent that Evolution is unable to obtain requisite licences and/or certifications in jurisdictions, particularly with respect to jurisdictions that fall within or are comprised of newly regulated markets, the Company may not be able to follow customers into these jurisdictions and newly regulated markets. In such an event, customers may turn to competitors that are licensed and/or certified in the applicable jurisdiction, or that become licensed and/or certified before Evolution does. Any failure to renew or obtain any such licence or certification could have a material adverse effect on the Group's business, financial position and profit.

Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change. Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions, such as the requirement to establish real-time data interfaces with the local regulator or pay retrospective taxes as a condition for the granting of a licence to operate in a particular jurisdiction. If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, the Company's growth strategy and customer base could be adversely impacted.

### Disruptions to operations and information security breaches

Evolution's ability to provide its software to gaming operators depends upon the integrity, reliability and operational performance of its systems. The functioning of the IT systems within the Group's operations, or that of its providers or partners, could be disrupted for reasons beyond its control. Furthermore, there may be technological challenges in rolling out new products and services.

Any such disruption or event may lead to customer claims against the Group or otherwise negatively impact the Group's ability to sell products and services to its customers due to reduced confidence. Any interruption in the systems could have a negative effect on the quality of products and services offered by Evolution and, as a result, on demand from customers and their end users. The Group's success depends, in part, on providing secure products and services to customers for use by their end users. Attempts to penetrate

security measures may come from various combinations of customers, end users, employees and others. The Group's IT systems are ISO-27001:2013 certified and the ability to monitor and ensure the quality and integrity of Evolution's products and services is continuously reviewed and evaluated.

### External anomalies

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of event which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences. The spread of the Coronavirus is affecting societies and companies all over the world. Evolution employs over 13,000 persons and most of our games require staff on site in the studio to operate the games. Risks for Evolution include shortage of staff due to increased sick-leave or government restrictions on travelling to and from the workplace. Due to the digital nature of our products, restrictions on physical movements in society do not affect how operators and players can access our products.

### End users

Although Evolution does not provide its services directly to end users, people who play live casino games with an operator via the Company's platform could sue the Company in its capacity as a developer and facilitator of games. While such claims against Evolution are likely to be dismissed, they could give rise to expenses and reduce confidence in the Group or impact its customers.

### Dependence on key personnel and skilled employees

The majority of Evolution's employees operate, organise and oversee operations at the gaming tables. Approximately 86 percent of the Group's full-time employees work on tables as hosts and dealers. These employees possess language, dealer and other trade skills that are essential in the day-to-day operations. Evolution aims to be an attractive employer and invests significantly in the training and development of its staff. In the ordinary course of operations, the Company experiences employee turnover with respect to employees working on tables, and such turnover can at times be significant. The loss of a significant number of its employees or any of its key employees, or any increased expenses that the Group may incur in order to retain any such employees or hire and train new employees, could have a material adverse effect on the Group's business, financial position and profit.

In addition, Evolution's business is dependent on a number of key individuals, senior executives and persons with specialist skills. These key individuals have established good relationships with market participants and have a thorough understanding of the complex environment in which the Group operates. Accordingly, these key individuals are central to the successful development of Evolution's business.

## ANNUAL REPORT EVOLUTION 2021

If any of these individuals terminate their relationships with the Group, or materially change or reduce their roles within the Group, Evolution may not be able to replace them or their services on a timely basis with other professionals capable of making comparable contributions to operations.

### Dependence on major customers

In 2021, the top five customers (in terms of revenue generated) contributed 22 percent (33) of Evolution's revenue.

The Group's revenue stream from these sources may be adversely impacted by any deterioration or decline in the business of these five customers, or if one or more of these customers opted to use a competitor of the Company for its live casino solutions. The reduction in revenue generated from, or loss of, one or more of these five customers could have a material adverse effect on the Group's business, financial position and profit.

### Counterparty risk

Evolution is subject to counterparty risks, primarily the risk of payment default by operators. Although the Group conducts credit checks for new customers and has historically experienced low levels of payment default by its customers, the rate of customer default may rise or increase in the future. In particular, such risk may increase if Evolution were to expand into new markets where customers are less financially stable. Any payment defaults by operators could have a material adverse effect on the Group's business, financial position and profit.

### Competition

Evolution operates in a competitive industry. Competition is expected to continue to intensify as new live casino providers enter the market and existing providers improve and expand their product and service offerings. If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit. The Company's objective is to strengthen its leading market position and retain existing and attract new customers by developing its successful live casino platform further while focusing on a number of areas considered to be of strategic importance for continued growth.

### Intellectual property rights

Evolution's ability to compete effectively depends, amongst other things, on its ability to protect, register and enforce its intellectual property rights. The Group also faces the risk that the use and exploitation of its intellectual property rights, including, in particular, rights relating to its software, may infringe the intellectual property rights of a third party. The expenses incurred in bringing or defending possible infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Company may result in royalties or damages being payable and/or the Company being required to cease using any infringing intellectual property or embodiments of any

such intellectual property. The Group is also dependent on know-how and trade secrets, and it strives to protect such information by, for example, maintaining confidentiality agreements with employees, consultants and partners.

However, it is not possible to ensure total protection against unauthorised distribution of information and competitors, and others may gain access to such information, which may lead to the value of such information diminishing or competitors gaining an advantage, which in turn could have a material adverse effect on the Group's business, financial position and profit.

### Shares and ownership

A detailed description of Evolution's shares and ownership can be found on pages 26-27.

The Company has, during the period 6 December 2021 – 30 December 2021, acquired a total of 1,158,865 own shares, within the framework of the repurchase programme introduced by the Board of Directors to improve the capital structure of Evolution by reducing the capital, and thereby creating added shareholder value. The shares were bought for an average price of SEK 1,091.20, each with a nominal value of EUR 0.003 corresponding to 0.54 percent of the share capital. After the end of the period the Company has repurchased an additional 747,000 own shares for an average price of SEK 1,068.80. The nominal value amounted to EUR 0.003 corresponding to 0.35 percent of the share capital. Thus, Evolution's own holding of shares is 1,905,865 shares, average price SEK 1,082.40, each with a nominal value of 0.003, corresponding to 0.89 percent of the share capital.

### Risk management

Evolution is exposed to the risk of money laundering and fraudulent activities by its customers, end users and third parties, as well as the potential collusion by operators and end users. The Group has implemented internal control systems and established a primary mission control centre in Latvia that monitors transactions, volumes and patterns, but these systems may not always succeed in protecting the Group from money laundering and fraud. To the extent that the systems are not successful in protecting the Group from money laundering or fraud, or if Evolution fails to comply with applicable regulations, the Group and its directors could be subject to criminal sanctions or administrative and civil fines and could directly suffer loss, the revocation of concessions and licences, operational bans, or lose the confidence of the customer base, all of which could have a material adverse effect on the Group's business, financial position and profit. In addition, effective internal controls are necessary for Evolution to provide reliable financial information and effectively prevent fraud. While the Group applies procedures and a system of internal control whereby internal risks are assessed, and the Group's Risk Committee meets on a quarterly basis to discuss and address potential risks, it is possible that the Group will not successfully manage internal risks or identify areas requiring improvement in the internal controls.

## Tax situation

Evolution primarily conducts its business through subsidiaries that are active in the geographic markets in which it operates. The business, including intra-Group transactions, is conducted in accordance with the Company's interpretation of applicable laws, tax treaties and other regulations concerning taxes and the practice of tax authorities in the relevant countries.

Evolution has obtained advice from independent tax advisors in this respect, but there is a risk that tax authorities in relevant countries may make decisions that deviate from the Group's interpretations and the advice received from independent tax advisors. In addition, the Group's interpretation of applicable laws, tax treaties, regulations and administrative practice may be incorrect and such rules may change, possibly with retroactive effect (in particular with regard to Maltese VAT legislation and the right of companies to deduct VAT). Furthermore, the Company has been advised that, to the extent that an individual ordinarily resident and domiciled in Malta acquires 5 percent or more of the Company, although the tax refunds in Malta should not be limited, certain Maltese withholding tax obligations may be imposed in respect of dividends attributable to such individuals. Regulatory or legislative changes, or decisions by tax authorities, may impair the present, future or previous tax position of Evolution, which could have a material adverse effect on the Group's business, financial position and profit.

## Expectations regarding future development

The company's future development is mainly dependent on the development of the online Casino market. Evolution's medium to long-term objective is to grow faster than the total global online casino market.

## Proposed appropriation of profits

The Board of Directors proposes that the 2022 Annual General Meeting approve the transfer to shareholders of EUR 302,751,455 (144,382,365), corresponding to EUR 1.42 (0.68) per share.

### The following earnings are at the disposal of the Annual General Meeting

Share premium reserve	2,606,394,330
Retained earnings	-28,628,734
Profit for the year	250,881,868
<b>Total</b>	<b>2,828,647,464</b>

### The Board of Directors proposes the following appropriation

Dividend to shareholders	
EUR 1.42 per share (213,205,250 x 1.42), totaling	302,751,455
Carried forward in share premium reserve	2,525,896,009
Carried forward in retained earnings	0
<b>Total</b>	<b>2,828,647,464</b>

## Statement by the board of directors on the proposed allocation of profits

With reference to the above and to what has otherwise come to the Board of Directors' knowledge, the Board of Directors believes that a comprehensive assessment of the Parent Company and the consolidated financial position indicated that the dividend is justified taking into account the demands that scope and risks of the operations place on the scope of equity in the Parent Company and the Group and on the consolidation needs, liquidity and financial position in other regards of the Parent Company and the Group.

## Events following the balance sheet date

The Company has, during the period 9 February 2022 – 18 February 2022, acquired a total of 747,000 own shares within the framework of the repurchase programme introduced by the Board of Directors to improve the capital structure of Evolution by reducing the capital, and thereby creating added shareholder value. Since 6 December 2021 up to and including 18 February 2022, a total of 1,905,865 shares have been acquired within the scope of the programme.

After the acquisition of NetEnt AB, Evolution AB initiated a buy-out proceeding regarding the outstanding shares in NetEnt AB in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)).

In the buy-out proceeding, Evolution AB's right to acquire the outstanding shares and the price to be paid for the shares has been determined by an arbitral tribunal.

Evolution AB has been granted title to, and has acquired, the shares under an arbitral award concerning buy-out of shares. After the period payment has been effected of the price for the shares, SEK 85.59 and interest SEK 2.34, in total SEK 87.93, per B-share in NetEnt AB (total amount SEK 683,064,948.33).

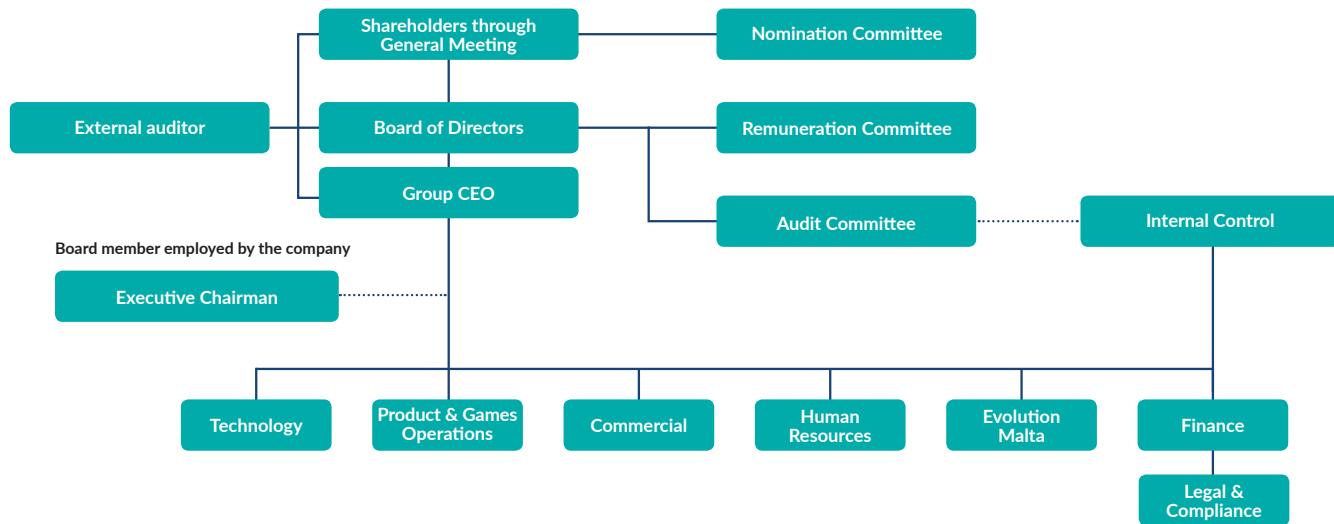
After the balance sheet date, on February 24th, Russia launched a military attack on Ukraine. Evolution has a game development hub in Ukraine which primarily works on new releases for slots. Since the war began, our efforts have been focusing on the well-being of our local team. Evolution has no offices or customers based in Russia and the direct financial effects of the war are at this stage not material to the group.

The Group's and the Parent Company's positions as of 31 December 2021 and the profit of the operations for the 2021 financial year are stated in the following income statements and balance sheets, cash flow statements, statements of changes in equity and notes to the financial statements.

## Corporate governance report

Evolution AB (publ) ("Evolution") is a Swedish public limited company that was formed in December 2014 and that is listed on the Nasdaq Stockholm exchange. Evolution complies with all applicable statutes and regulations, including the Swedish Companies Act, EU Market Abuse Regulation, the Swedish Code of Corporate Governance (the "Code") and other regulations and Nasdaq Stockholm's Rule Book for Issuers. The current Code is available at the Swedish Corporate Governance Board's website [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

### Evolution's corporate governance model



### Ownership and voting rights

At the end of 2021, the share capital in Evolution amounted to EUR 646,536.56, divided between a total 215,111,115 shares with a nominal value of EUR 0.003 each. All shares belong to the same class of shares, with equal voting rights (one vote per share) and shares of the company's capital and profit. On 31 December 2021, there were 110,648 shareholders. At the same point in time, the company's largest shareholders were Capital Group with 15.7 percent of the share capital and votes, and Jens von Bahr as well as Fredrik Österberg (through Österbahr Ventures AB) with 10.7 percent of the share capital and votes.

The ten largest shareholders represented 49.6 percent of the share capital and votes. Further information about the company's share and shareholders is presented under "The Evolution share" on page 26-27 and on the company's website.

### General Meetings

The Annual General Meeting is Evolution's highest decision-making body, at which shareholders exercise their influence on the company. All shareholders registered in the company's CSD register who notify the company in time of their attendance are entitled to attend the General Meeting and vote for all of their shares. The company's Annual General Meeting is held in the spring. The date and venue are announced in connection with the third interim report at the latest.

Information on how shareholders can have a matter considered

at the Annual General Meeting in the following year, and when, at the latest, such a request must be received is detailed on the company's website in connection with the publication of the third interim report at the latest. Notice of the Annual General Meeting is published no later than four weeks prior to the meeting through an advertisement in Post- och Inrikes Tidningar (official Swedish gazette) and by posting the notice on the company's website. The company will place an advertisement in Swedish financial daily Dagens Industri that the notice has been issued.

The Annual General Meeting's mandatory duties include making decisions on:

- Adoption of the income statement and balance sheet
- Appropriation of profits and dividend
- Discharge from liability for the Board of Directors and the Group CEO
- Election of the Board of Directors and auditors
- Determination of fees for the Board members and the auditors
- Nomination Committee.

At the Annual General Meeting, decisions are normally made by a simple majority of the votes cast. On certain decision matters, however, the Swedish Companies Act requires a proposal to be approved by a larger proportion of the votes cast. Extraordinary General Meetings may be held when necessary.

## Annual General Meeting 2021

The 2021 Annual General Meeting was held on 16 April 2021. At the meeting, 51 percent of all shares and votes were represented.

At the annual general meeting income statements and balance sheets for 2020 for the company and the group were adopted and it was resolved on, among other things, a dividend of EUR 0.68 per share, discharge from liability for the board members and the managing director, re-election of the board members and the chairman of the board, authorisation for acquisition and transfer of own shares, reduction of the share capital through redemption of own shares and increase of the share capital through bonus issue as well as authorisation for the board of directors to issue shares, warrants and convertible debt. The minutes of the meeting, as well as other documentation from the meeting, are available on the company's website.

## Annual General Meeting 2022

The 2022 Annual General Meeting will take place on 8 April 2022. Notification of the meeting will be issued on the company's website, where requisite documents, such as information providing the basis for decisions, will also be made available prior to the meeting.

## Nomination Committee

The Annual General Meeting determines how the Nomination Committee should be appointed. At the 2021 Annual General Meeting, it was decided that the Chairman of the Board of Directors is to contact the three largest shareholders in terms of votes based on Euroclear Sweden AB's list of registered shareholders on the last business day of August. The three largest shareholders will be given the opportunity to elect one representative each to form the Nomination Committee along with one of the members of the Board of Directors who is independent in relation to the Company's management. If any of these shareholders chooses to waive their right to elect a representative, their right is transferred to the shareholder who, after these shareholders, has the largest share ownership.

In preparation for the Annual General Meeting, the Nomination Committee is tasked with presenting proposals regarding:

- The chairman for the Annual General Meeting
- Number of Board members
- Board members and Chairman of the Board
- Board remuneration
- Possible remuneration for committee work
- Auditors and auditors' fees if such a decision is to be made
- Process for establishing the ensuing Nomination Committee.

The proposals of the Nomination Committee are presented in the notice of the Annual General Meeting and on the company's website. The Nomination Committee's mandate

period runs until a new Nomination Committee has been appointed under the decision establishing the new Nomination Committee at the 2022 Annual General Meeting.

Member	Appointed by	Independent in relation to the company and its senior management	Share of votes as per 31 December 2021
Ian Livingstone	Richard Livingstone	Yes	4.7%
Peter Ihrfelt (Chairman)	Österbahr Ventures AB	Yes	10.7%
Michael Hayward	WCM Investment Management	Yes	5.1%
Jonas Engwall	Board of Directors of Evolution AB	Yes	—

## Board of Directors

### Responsibilities and duties of the Board of Directors

The Board of Directors bears the overall responsibility for the organisation of the company and the management of its affairs and is to work in the interests of the company and all of its shareholders. The mandatory tasks of the Board of Directors include determining the company's overall targets and strategies, evaluating the Group CEO, ensuring that there are systems in place for monitoring and controlling the operations and the risks associated with them, ensuring that there is satisfactory control of the company's regulatory compliance and ensuring that the information issued by the company is characterised by openness and is accurate, relevant and reliable.

### Instructions and policies

The Board of Directors annually reviews and adopts the following corporate governance related instructions and policies among others:

- Rules of procedure of the Board of Directors
- Instructions for the Group CEO
- Rules of procedure of the Audit Committee
- Rules of procedure of the Remuneration Committee
- Code of Conduct
- Sustainability Policy.

## ANNUAL REPORT EVOLUTION 2021

## Composition of the Board of Directors

The Board of Directors is appointed by the shareholders at the Annual General Meeting for the period until the end of the next Annual General Meeting and, in accordance with the Articles of Association, shall consist of at least three and at most eight members with no deputies. The Annual General Meeting determines the precise number of members.

At the 2021 Annual General Meeting, Jens von Bahr (Chairman), Joel Citron, Jonas Engwall, Ian Livingstone and Fredrik Österberg were elected as members of the Board of Directors. Mimi Drake was elected as a member of the Board of Directors at an Extraordinary General Meeting on 20 August 2021. Sandra Urie was elected as a member of the Board of Directors at an Extraordinary General Meeting on 6 October 2021. For further details of each Board Member, see page 66-67.

In addition to being a Board Member, Jens von Bahr is also employed by the company as the Executive Chairman. He is not a member of the company's senior management. Under the terms of his employment, Jens von Bahr shall, in addition to, and separately from, his duties as Chairman of the Board, focus on strategic issues and establish and implement the Group's future growth plans in cooperation with the management team, customers and shareholders. As one of the founders of the

Group, Jens von Bahr has special insight into the operations and the live casino industry and the markets in which the Group operates or may operate in the future. He also has long-term and valuable relationships with customers and business partners. Consequently, having access to this experience at both the Board level and in the ongoing operations benefits both the company and its shareholders.

As an employee, the Executive Chairman reports to the Group CEO. The division of responsibilities between the Group CEO and the Executive Chairman is well regulated in the Board's rules of procedure and the company's instructions for the Group CEO. Jens von Bahr does not receive any remuneration for his duties as a member of the company's Board of Directors. In accordance with what was communicated in connection with the listing of the company on Nasdaq Stockholm in June 2017, the company expects that Jens von Bahr's employment will be re-considered in the future.

Fredrik Österberg was employed by the company as Group Chief Strategy Officer until April 2018.

Member	Fees and salaries <sup>1)</sup>			Independent <sup>3)</sup>	Attendance <sup>2)</sup>		
	Board fee	Committee fee	Salary		Board meetings	Audit Committee	Remuneration Committee
Jens von Bahr	N/A	N/A	SEK 4,200,000	No/No	13	N/A	N/A
Joel Citron	EUR 30,000	N/A	N/A	Yes/Yes	14	4	1
Jonas Engwall	EUR 30,000	N/A	N/A	Yes/Yes	13	4	1
Mimi Drake	EUR 30,000	N/A	N/A	Yes/Yes	6	1	N/A
Sandra Urie	EUR 30,000	N/A	N/A	Yes/Yes	5	N/A	N/A
Ian Livingstone	EUR 30,000	N/A	N/A	Yes/Yes	13	N/A	1
Fredrik Österberg	EUR 30,000	N/A	N/A	No/No	14	3	N/A

<sup>1)</sup> Fees refer to the amounts approved by the 2021 Annual General Meeting. For Board Members who are employees, the stated figure refers to annual salary.

<sup>2)</sup> Attendance refers to meetings during the 2021 financial year.

<sup>3)</sup> Independent in relation to the company and the company's management/to the largest shareholders.

## Independence

The number of Board members who are independent in relation to the company is five (71 percent) and the number of Board members who are independent in relation to major shareholders are five (71 percent). Jens von Bahr and Fredrik Österberg together own approximately 10.7 percent of the shares and votes in the company (through Österbahr Ventures AB) and are therefore not independent in relation to major shareholders. Since Jens von Bahr is employed by the company as Executive Chairman and Fredrik Österberg has been employed by the company during the last three years they are also not independent in relation to the company or its senior management.

A Board member may not take part in decisions where a conflict of interest may exist. This comprises decisions regarding agreements between a Board member and the company, agreements between the company and third parties in which the Board member has a material interest that could constitute a conflict of interest for the company, as well as agreements between the company and the legal entity that the Board member represents.

## Working procedures and meetings

In addition to laws and recommendations, the work of the Board of Directors is governed by its rules of procedure. The rules of procedure have been adopted by the Board of Directors and include instructions concerning, among other things, Board meetings and their contents, the division of duties within the Board and information to the Board.

## Chairman of the Board in 2021

The Chairman of the Board is appointed by the Annual General Meeting. Jens von Bahr was elected Chairman of the Board by the 2021 Annual General Meeting for the period until the end of the next Annual General Meeting. Jens von Bahr is the Executive Chairman of the Board, meaning that he is employed by the company. See the Composition of the Board of Directors section on page 58 for further details of what this employment entails.

The Chairman's role is to organise the work of the Board so that it is run efficiently and generates conditions for optimum performance of the Board's commitments.

## Work of the Board of Directors in 2021

The Board of Directors held 14 meetings in 2021, of which three were a statutory meeting, three to approve interim reports and one to approve the year-end report. All meetings followed an agenda that, on relevant points, was addressed with documentation provided to members prior to the meetings. As a rule, the meetings are also attended by the company's Director of M&A as secretary, the Group CEO and Group CFO.

At each meeting, the Group CEO updates the Board Members on the company's operational and financial development.

In addition, various senior executives and the auditor participate if necessary, to present various factual matters. The principal points addressed by Board meetings in 2021 included matters regarding, as well as the approval of, the business plan and budget, Group policies, and annual, year-end and interim reports.

The matters addressed by the Board of Directors at the Board meetings in 2021 include:

- **February**  
Adoption of interim report for the fourth quarter of 2020
- **March**  
The company's auditor participated in part of the meeting without the presence of the Group CEO or any other member of company management  
Approval of the annual accounts for 2020  
Evaluation of the work of the Board of Directors and the Group CEO  
Approval of the documentation for the 2021 Annual General Meeting
- **April**  
Adoption of interim report for the first quarter of 2020 Statutory Board meeting
- **July**  
Adoption of interim report for the second quarter of 2021
- **August**  
Statutory Board meeting
- **October**  
Adoption of interim report for the third quarter of 2021 Statutory Board meeting
- **December**  
Approval of 2022 budget.

## Assurance of quality in financial reporting

The formal work plan adopted annually by the Board includes detailed instructions about which financial statements and what financial information is to be provided to the Board. The Group CEO is responsible for the Board receiving, in addition to the year-end report, interim reports and annual accounts, regular information about the company's financial performance including its financial position and liquidity.

The Board of Directors also examines, primarily through its Audit Committee, the most significant accounting principles applied within the Group in respect to its financial reporting, as well as significant changes in the reporting principles.

All Audit Committee meetings are recorded and the minutes kept available to all Board Members and the auditors.

## ANNUAL REPORT EVOLUTION 2021

### Evaluation of the work of the Board of Directors

Through a systematic and structured process, the Board shall annually assess its work and the division of labour between individual members. The Chairman of the Board informs the Nomination Committee of the outcome of the evaluation. The Board continuously evaluates the work of the Group CEO and Group management. This evaluation shall be discussed at least once a year at a meeting of the Board without the Group CEO or any other member of Group Management being present.

### Remuneration to the Board of Directors

Remuneration to the Board of Directors is proposed by the Nomination Committee, approved by the Annual General Meeting and paid to Board Members who are not employees of the company. At the 2021 Annual General Meeting, it was decided that a fee of EUR 30,000 should be paid to each Board Member not employed by the company.

No specific compensation is paid to the members of the Board committees.

Jens von Bahr is employed by the company and does therefore not receive any Board fee. Jens von Bahr receives an annual salary of SEK 4,200,000 from the company (including applicable retirement benefits and without entitlement to variable compensation). The fee paid to Jens von Bahr for his position in the company was approved by an Extraordinary General Meeting on 24 January 2017.

### Diversity policy

The company's Board of Directors has adopted a diversity policy applicable to its own composition. According to this policy, the Board of Directors shall, taking into account the company's operations, stage of development and circumstances, be appropriately composed and characterised by versatility and breadth in terms of the expertise, experience and background of the members elected by the Annual General Meeting. The objective is to seek an even gender distribution on the Board of Directors. Evolution considers diversity important in ensuring that Board Members' profiles provide the necessary range of perspectives, experience and skills required to achieve effective governance. In preparing its proposal for the composition of the Board of Directors, the Nomination Committee takes into account the Code and the Board's Diversity Policy, seeking to achieve diversity on the Board of Directors.

### Board committees

The Board of Directors has established a Remuneration Committee and an Audit Committee.

#### Remuneration Committee

The Remuneration Committee consists of Joel Citron (chairman), Ian Livingstone and Jonas Engwall. The Remuneration Committee's duties include preparing the following matters for decision by the Board:

- Salary, other remunerations and pension benefits for the Group CEO
- Salary, other remuneration and pension benefits for the Executive Chairman
- The company's remuneration policy and other terms of employment for the company's senior management
- Share option programmes and similar arrangements, as well as other rewards or forms of compensation referred to, target a wider range of Group employees.

The Remuneration Committee shall also monitor and evaluate both current and completed variable remuneration programmes for the company's senior management. In addition, the Committee shall monitor and evaluate the application of guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the company. During 2021, one meeting was held at which all members attended.

#### Audit Committee

The Audit Committee consists of Joel Citron (chairman), Mimi Drake and Jonas Engwall. The Audit Committee's tasks include:

- Preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the Group
- Monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management
- Regularly meeting the company's auditors and being briefed on the statutory audit, focus and scope of the audit, as well as discussing the coordination between the external and internal audit as well as the view of the risks in the company
- Establishing guidelines for which services, beyond audit services, the company may purchase from the auditors, as well as evaluating and monitoring the independence of the company's auditors and, in connection with this, paying particular attention to whether the auditor provides additional services to the company beyond auditing
- Evaluating the audit and informing the company's Nomination Committee of the outcome of this evaluation.

The Audit Committee shall also organise a selection process to prepare recommendations of auditors to the Nomination Committee when so required by applicable rules and assisting the Nomination Committee in preparing its proposals on auditors and compensation for auditing. During 2021, four meetings were held.

## Division of labour between the Chairman of the Board and the Group CEO

The company has an Executive Chairman working mainly in the following areas: preparing long-term strategic issues beyond the Group CEO's strategic work within current business plans, ongoing evaluation of strategic partnerships and acquisitions, as well as assisting Group Management in strategic projects and in connection with the recruitment of key competencies. The Group CEO's instructions clarify that the duties of the Executive Chairman as an employee should not interfere with the duties of the Group CEO and that the Executive Chairman may not perform any ongoing management tasks. The Board of Directors' rules of procedure state that the work performed by the Chairman of the Board as an employee is separate from, and in addition to, his work as Chairman of the Board. In addition to duties explicitly in line with his employment contract and the Group CEO's instruction, he may not perform any assignments for the company that go beyond the work of the Chairman of the Board, unless approved by the Board of Directors.

## Auditors

Auditors are elected by the Annual General Meeting. The auditor shall examine the company's annual report and accounts as well as the management by the Board of Directors and the Group CEO. The auditor shall also examine the group accounts, as well as the relationship *inter se* of group companies. In accordance with the Articles of Association, Evolution shall have one or two auditors. The auditors shall be appointed for the time period until the end of an annual general meeting held not later than during the fourth financial year after the election. The Annual General Meeting held in 2021 re-elected Öhrlings PricewaterhouseCoopers AB as the company's auditors up until the close of the Annual General Meeting held in 2022. The auditor in charge is Johan Engstam, who was born in 1966 and is an authorised public accountant.

## Group CEO and Group Management

Evolution's Group Management has extensive experience and works to achieve long-term profitable growth in line with the company's strategy and vision. The Group CEO is appointed by, and receives instructions from, the Board of Directors. In turn, the Group CEO appoints the other members of Group Management and is responsible for the ongoing administration of the Group in accordance with the Board's guidelines and instructions. The Group CEO reports to the Board of Directors, ensuring that it receives the information needed to make informed decisions. The Group CEO shall also ensure that matters to be addressed by the Board in accordance with applicable legislation, the Articles of Association and internal policies and guidelines are presented to the Board of Directors. The Group CEO attends, and reports to, all Board meetings, except on those occasions when

the Group CEO is evaluated by the Board as well as when the Board meets the company's auditor without management attending. Group Management embodies expertise covering all key areas of the company's business and strategy, including the CEO of Evolution's operating subsidiary Evolution Malta Limited. Evolution Malta Limited has a management team that addresses matters related to the operational activities.

## Working instructions for the Group CEO

The Board of Directors has developed and adopted instructions covering the Group CEO's responsibilities and tasks, as well as entitlement to represent the company. Within the framework of applicable laws, the Articles of Association, the Board of Director's formal work plan, the Group CEO's instructions and other instructions issued by the Board, the Group CEO is responsible for overseeing the company's day-to-day operations. The Group CEO is also responsible for ensuring that the Board receives information regularly to be able to monitor the company's financial position, financial planning and development. Prior to each regular Board meeting, the Group CEO shall submit information as requested by the Board in assessing the company's financial situation, including reports, metrics, proposed business plan and budget, forecasts, interim reports, financial statements and annual reports.

## Remuneration to senior executives

The 2021 Annual General Meeting established guidelines for senior executives for the period up until the Annual General Meeting held in 2022. Senior executives refer to the Group CEO and the Group management of Evolution. The guidelines should also apply to remuneration for members of the Board who are employed by the company, and what is stipulated in the guidelines regarding senior executives should when applicable also apply to members of the Board who are employed by the company. For information on the composition of the Group Management, see page 68-69.

The objective of the guidelines is to ensure that the company can attract, motivate and retain senior executives with the expertise and experience required to achieve company's operating goals. The remuneration shall be based on conditions that are market competitive and at the same time aligned with shareholders' interests. Remuneration to the senior executives shall consist of a fixed and, for some senior executives, variable salary. These components shall create a well-balanced remuneration reflecting individual competence, responsibility and performance, both short-term and long-term, as well as the company's overall performance.

## ANNUAL REPORT EVOLUTION 2021

**Fixed salary**

The senior executives' fixed salary shall be competitive and based on each senior executive's individual competences, responsibilities and performance. A review of the fixed salary shall be carried out on an annual basis for each calendar year.

**Variable compensation**

The senior executives (however not the board member employed by the company) may receive variable remuneration in addition to a fixed salary.

Annual variable remuneration is to be cash based and be based on predetermined and measurable performance criteria for the relevant senior executive aimed at promoting the company's long term value creation. The performance criteria are to be established and documented annually.

Depending on the level of performance achieved, annual variable remuneration can vary from no variable payment up to fifty percent of the annual base salary (however, one senior executive is entitled to variable compensation up to a hundred percent of his annual base salary under his existing employment agreement).

**Incentive programmes**

The shareholders' meeting shall be able to decide on long-term share and share-price related incentive programmes directed to, among others, the senior executives (however not to board members who are employees of the company). Such incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders and so that a personal holding of shares in the company is promoted.

**Other benefits**

The company provides other benefits to senior executives in accordance with local practice. Such other benefits can include, for example company health care. Occasionally, housing allowance, paid schooling for underage children or travel allowances could be granted.

**Notice of termination and severance pay**

The maximum notice period for senior executives during which salary is paid is 12 months. Severance compensation may be paid in an amount not greater than 12 months' fixed salary.

**Deviations from guidelines**

The Board of Directors may deviate from the above guidelines where a special cause exists in an individual case. In the event the Board of Directors deviates from the guidelines, it shall explain the reason for the deviation at the following Annual General Meeting.

**Incentive programmes****2021/2024 programme**

The Extra General Meeting on 28 January 2021 resolved to issue a maximum of 5,000,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 1,113.80 during the period from and including 20 March 2024 (however not earlier than the day after the publication of the company's interim report for the period January–December 2023) up to and including the date that falls 30 calendar days thereafter.

In total 3,948,875 warrants were subscribed, of which 49,770 were bought back at the end of 2021. If all 3,899,105 warrants are exercised for subscription of 3,899,105 shares, the dilution effect will be approximately 1.8 percent.

The recipients of the warrants are key employees throughout the Group. Employees in Sweden and Georgia have paid the market value for the warrants. Employees in other countries have paid the market value for one warrant, while receiving one without payment for each that had been paid for. For warrants acquired at market value, the price (warrant premium) has been determined using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt.

**2020/2023 programme**

The Extra General Meeting on 16 January 2020 resolved to issue a maximum of 4,000,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 373.90 during the period from and including 31 March 2023 (however not earlier than the day after the publication of the company's year-end report for the period January–December 2022, the "First Exercise Date") up to and including the date that falls 30 calendar days thereafter.

In total 4,000,000 warrants were subscribed, of which 71,350 were bought back during 2020-2021. If all 3,928,650 warrants are exercised for subscription of 3,928,650 shares, the dilution effect will be approximately 1.8 percent.

The recipients of the warrants are key employees throughout the Group. Employees in Sweden have paid the market value for the warrants. Employees outside Sweden have paid the market value for one warrant, while receiving one without payment for each that had been paid for. For warrants acquired at market value, the price (warrant premium) has been determined using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt.

	2021/2024	2020/2023
Exercise price, SEK	1,113.80	373.90
Grant date	20/03/2021	27/02/2020
Expiry date	19/04/2024	30/04/2023
Number of recipients	248	108
<b>Total number of warrants subscribed</b>	<b>3,899,105</b>	<b>3,928,650</b>

During July-August 2021, the incentive programme 2018/2021 adopted on the Annual General Meeting on 20 April 2018 exercised. In total 1,679,075 new shares were subscribed for by a number of key individuals in the Company. Total dilution amounted to 0.79 percent.

### Risk management and internal control

Evolution's control system has been developed to ensure accurate, reliable financial reporting and accounting in accordance with applicable laws and rules, accounting standards and other requirements for listed companies. The foundation of the control environment is defined through policies, routines and manuals, and is upheld with the help of the company's organisational structure with clearly defined responsibilities.

#### Control environment

The Board of Directors bears the ultimate responsibility for an effective system of internal control and risk management being in place. Critical accounting issues and issues related to financial reporting are addressed by the Board and in the Board's Audit Committee. To ensure a well-functioning control environment, the Board of Directors has established a number of policies relevant to corporate governance and financial reporting. These include the Board's rules of procedure, Group CEO instructions and reporting instructions for financial reporting. The company also has a financial handbook, which includes principles, guidelines and process descriptions for accounting and financial reporting. At the statutory Board meeting following the Annual General Meeting, a formal work plan is established for the Board and instructions for the work of the Group CEO are determined, in which responsibilities and powers are further defined.

The Board has appointed an Audit Committee, tasked with preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the group, as well as monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management.

The CFO regularly reports to the Audit Committee and works together with the company's finance function to develop and improve the internal control with regards to the Group's financial reporting, both proactively with a focus on the internal control environment, and by reviewing the effectiveness of internal control.

Responsibility for the daily work of maintaining the control environment rests primarily with the Group CEO. The Group CEO reports regularly to the company's Board of Directors.

The Board of Directors in its entirety or any one Board Member together with the Chairman of the Board may sign on behalf of the company. In addition, the company's CFO and CLO together are entitled to sign on behalf of the company.

In accordance with the Swedish Companies Act, the Group CEO may sign alone on behalf of the company regarding duties which the Group CEO is obliged to carry out pursuant to section 29 of the Swedish Companies Act.

### Risk assessment

The Group has established a Risk Management Committee, in which representatives of various relevant parts of the organisation meet quarterly to assess, discuss and mitigate potential risks. The Group has also adopted procedures and established internal risk management control systems, including an annual risk analysis for all business areas within the Group, where the purpose is to identify, evaluate and manage risks threatening the Group's objectives and strategies. The risk analysis is divided into strategic, operational, compliance, legal and financial risks. To ensure a relevant level of control, each business area has established a number of control activities counteracting the most significant risks identified in the risk analysis. A self-assessment of these control activities is performed annually and reported to the Risk Management Committee, which compiles and evaluates the results and reports to the Audit Committee and the Board of Directors.

#### Risk assessment directly related to the provision of gaming services

As certain jurisdictions have laws that explicitly consider the offering of, and participation in, gaming services conditional on particular licences or a criminal offence, the Group continuously undertakes precautionary measures, including Know Your Customer (KYC) checks of licensees and requiring, in its agreements, that operators comply with the laws and regulations applicable to them.

These provisions in the agreements constitute a form of legal protection and prevent certain end users from accessing the Group's products and services. The Group's customers (i.e. the casino operators) are responsible for the end users' access to their online gaming platforms at the local level and in accordance with local laws and regulations.

## ANNUAL REPORT EVOLUTION 2021

**Monitoring**

Monitoring of control activities is conducted continuously to ensure that risks have been satisfactorily observed and addressed. This includes tracking of results in relation to budget and plans, analyses and key figures. The Board of Directors continuously evaluates the information provided by the company's management team. The process includes both reconciliation of monthly financial reports against budgets and goals and reporting at Board meetings. Through the Audit Committee, the Board of Directors reviews and assesses the internal control organisation and function. The company's policies and instructions are evaluated and updated annually at a minimum or when needed.

The company's CFO presents the results of internal control work as a standing agenda item at Audit Committee meetings.

The results of the Audit Committee's work in the form of observations, recommendations and proposals for decisions and measures are continuously reported to the Board of Directors.

**Information and communication**

The company has information and communication channels to promote the accuracy of the financial reporting and to facilitate reporting and feedback from the operations to the Board of Directors and the Group Management, for example by making governing documents such as internal policies, guidelines and instructions regarding the financial reporting available and known to the employees concerned.

The company is subject to the provisions of the EU Market Abuse Regulation No. 596/2014 (MAR). MAR sets out requirements on how inside information is to be published to the market, under which conditions the disclosure may be delayed and in what way the company is obliged to keep a list of persons working for the company and who has access to inside information. The company has assigned a digital and semi-automated tool to ensure that its handling of inside information meets the requirements of MAR and its insider policy. Only authorised persons in the company have access to the tool.

The company's financial reporting complies with Swedish laws and regulations and the local rules in each jurisdiction where operations are conducted. The company's information to shareholders and other stakeholders is provided through the interim reports, press releases and annual report according to the Group's Communication Policy.

**Internal audit**

The company has no separate review function (internal audit). The Board does not consider there to be special circumstances in operations or other conditions that would warrant such a function.

# NOTES

## TABLE OF CONTENTS

<b>Note 1. Accounting and valuation principles</b>	<b>82</b>
<b>Note 2. Revenues</b>	<b>90</b>
<b>Note 3. Employees</b>	<b>90</b>
<b>Note 4. Financial income</b>	<b>91</b>
<b>Note 5. Financial expenses</b>	<b>91</b>
<b>Note 6. Income tax and deferred tax</b>	<b>92</b>
<b>Note 7. Earnings per share</b>	<b>92</b>
<b>Note 8. Intangible assets</b>	<b>93</b>
<b>Note 9. Property, plant and equipment</b>	<b>94</b>
<b>Note 10. Participations in Group companies</b>	<b>94</b>
<b>Note 11. Accounts receivable</b>	<b>96</b>
<b>Note 12. Other current receivables</b>	<b>96</b>
<b>Note 13. Prepaid expenses and accrued income</b>	<b>96</b>
<b>Note 14. Cash and cash equivalents</b>	<b>96</b>
<b>Note 15. Other current liabilities</b>	<b>96</b>
<b>Note 16. Accrued expenses and deferred income</b>	<b>96</b>
<b>Note 17. Leasing - Group</b>	<b>96</b>
<b>Note 18. Auditor remuneration</b>	<b>98</b>
<b>Note 19. Transactions with related parties</b>	<b>98</b>
<b>Note 20. Share related remunerations</b>	<b>98</b>
<b>Note 21. Financial risk management</b>	<b>98</b>
<b>Note 22. Critical estimates and assessments</b>	<b>102</b>
<b>Note 23. Acquisitions</b>	<b>102</b>
<b>5-Year Summary</b>	<b>104</b>
<b>Key Ratios not defined in accordance with IFRS</b>	<b>105</b>



## ANNUAL REPORT EVOLUTION 2021

**NOTE 2. REVENUES**

The Group CEO considers the Group to consist of a single segment, i.e. the provision of solutions for live casino and associated services to gaming operators.

The Group's revenue derives from fees from gaming operators that use the Group's solutions for live casino and from other associated services.

Revenue recognition at a point in time refers to dedicated environment set up fees, capital gains of fixed assets and other operating income.

Revenues recognised over time are mainly commission fees from contracted partners and dedicated table service fees.

**2 (a) Disaggregation of revenue from contracts with customers per invoicing jurisdiction**

	Sweden		Malta		Latvia		North America		Curacao		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total revenues	61,122	27,317	1,072,016	548,424	102,157	85,807	82,204	26,191	352,626	225,647	186,584	68,787	1,856,709	982,173
Of which Intercompany	60,511	27,129	472,309	223,637	101,783	85,807	54,542	22,689	2,770	2,013	96,017	59,764	787,932	421,039
Revenue from external customers	611	188	599,707	324,787	374	—	27,662	3,502	349,856	223,634	90,567	9,023	1,068,777	561,134
Timing of revenue recognition														
At a point in time	26	48	8,632	2,155	374	—	358	28	2,024	1,057	608	424	12,029	3,712
Over time	585	140	591,075	322,632	—	—	27,297	3,474	347,832	222,577	89,959	8,599	1,056,748	557,442
<b>TOTAL</b>	<b>611</b>	<b>188</b>	<b>599,707</b>	<b>324,787</b>	<b>374</b>	<b>—</b>	<b>27,662</b>	<b>3,502</b>	<b>349,856</b>	<b>223,634</b>	<b>90,567</b>	<b>9,023</b>	<b>1,068,777</b>	<b>561,134</b>

**2 (b) Liabilities related to contracts with customers**

Group	2021	2020
Opening balance	1,722	3,656
Revenues recognised from opening balance liabilities	-396	-3,375
Liabilities recognised	8,892	4,166
Revenues recognised	-6,617	-2,660
Translation difference	65	-65
<b>Closing balance</b>	<b>3,666</b>	<b>1,722</b>

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. Table 2 (c) shows the geographic markets from which Evolution's revenues originate.

**2 (c) Revenue per geographical region**

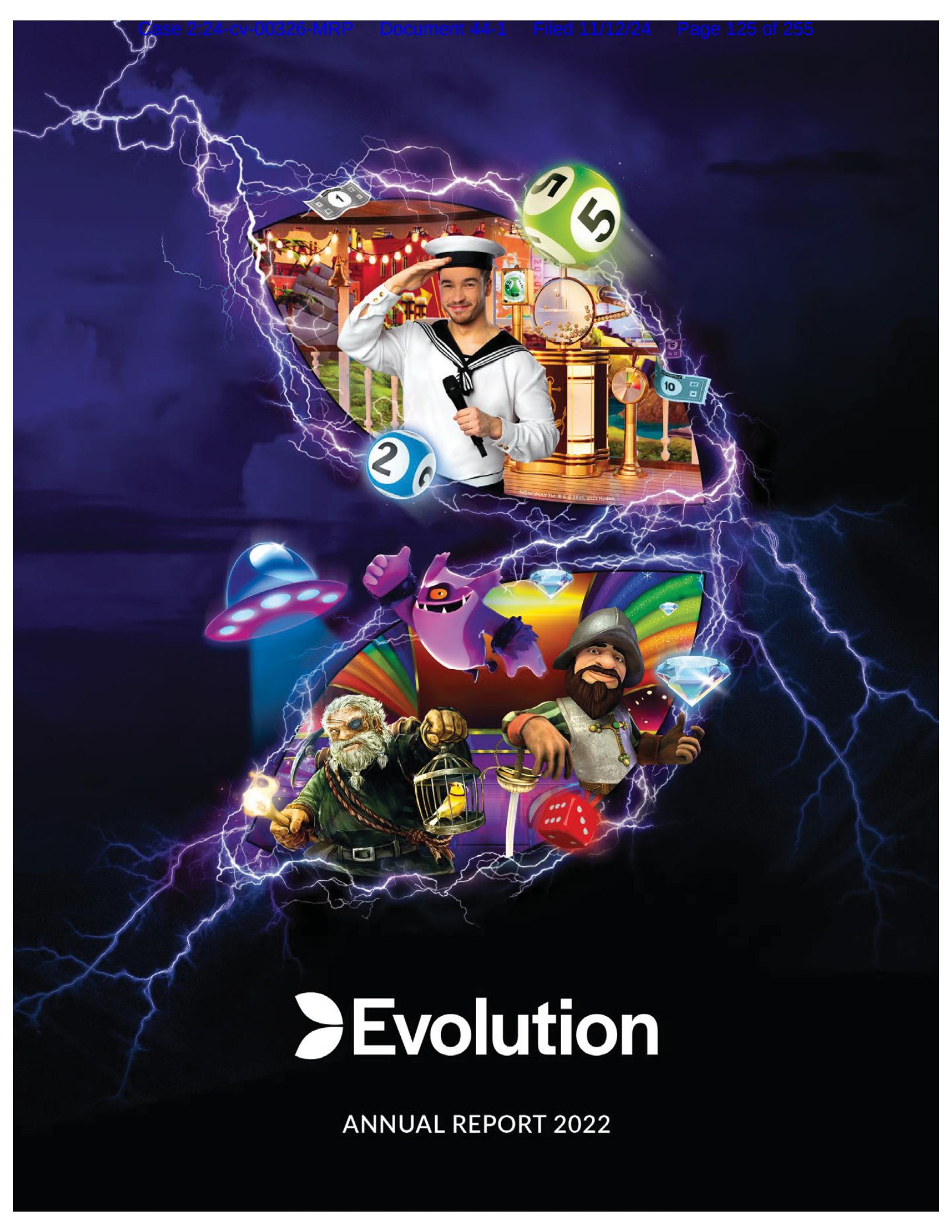
Group, EUR millions	2021	2020
Nordics	73.1	29.8
Great Britain	81.4	43.9
Rest of Europe	416.9	268.9
Asia	286.5	125.7
North America	114.5	37.4
Other	96.3	55.7
<b>Total operating revenues</b>	<b>1,068.7</b>	<b>561.1</b>
Revenues regulated markets	423.8	196.0
Regulated markets' share	40%	35%

Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. Great Britain includes the Crown Dependencies. Evolution Group has one customer (one in 2020) that singlehandedly contributed 10 percent or more to the Group's revenue.

**NOTE 3. EMPLOYEES**

Personnel expenses	2021			2020		
	Senior executives	Other employees	Total	Senior executives	Other employees	Total
Salary and other remunerations	20,002	169,518	189,520	5,092	115,116	120,208
Pension expenses	109	2,272	2,381	83	781	864
Oth. soc. security expenses	4,396	22,563	26,959	1,061	16,106	17,167
Other personnel expenses			14,260			6,629
Own work capitalised			-25,955			-11,116
<b>Total personnel expenses</b>	<b>24,507</b>	<b>194,353</b>	<b>207,165</b>	<b>6,236</b>	<b>132,003</b>	<b>133,752</b>

# EXHIBIT 7



Evolution

ANNUAL REPORT 2022

## Table of contents

The year in brief	03
Group CEO comments	05

### STRATEGIC REPORT

Our business model, vision and strategy	09
Our marketplace	11
Our global studios	13
Our online casino operations	15
Our world-leading online casino portfolio	19
Our growing customer base	25
The Evolution share	27

### SUSTAINABILITY REPORT

Sustainability report	31
Our employees	35
Our societies	38
Our environment	39
Diversity	41
Responsible gambling	43
Ethical business practices	45

GOVERNANCE	53
Financial reports	59
Notes	69
Declaration by the Board of Directors	71



### GOVERNANCE

Directors' report	53
Corporate governance report	59
Our Board of Directors	69
Our group management team	71

### FINANCIAL STATEMENTS

Financial reports	75
Notes	84
Auditor's report	111
Glossary and definitions	112
	119



## Group CEO comments

Innovation, global growth and aiming for even greater heights.

In the very challenging market environment of 2022 – impacted by the war in Ukraine, widespread inflationary pressure, and strained supply chains - our results clearly reflect our strong competitive offering and relentless focus on execution. In 2022 revenues amounted to EUR 1,456.7 million, an increase of 36.3 percent compared to last year, while EBITDA amounted to EUR 1,008.4 million, corresponding to a margin of 69.2 percent.

Our ambition is always to do more and do better every day of the year. I am pleased that we managed to increase EBITDA-margin to 69.2 percent for the full-year (68.7), despite increased costs in many areas outside our control in 2022.

Within Live Casino we continue to see strong demand across all regions. We have a world-leading offering, and I see us continuing to increase the gap to competitors, supported by extraordinary end-user experience and a continuous flow of new games and incremental improvements to the existing ones.

During the year, we continued to develop and improve our RNG offering. We did so through in-house innovation and creativity, but also through the acquisition of Nolimit City, an innovative and world-leading brand in online slots games. With this addition, we currently have one of the market's strongest and broadest offerings, covering four different brands - NetEnt, Red Tiger, Big Time Gaming and Nolimit City. All these four have distinct profiles, addressing their own set of audiences, but also allowing for cross-fertilisation.

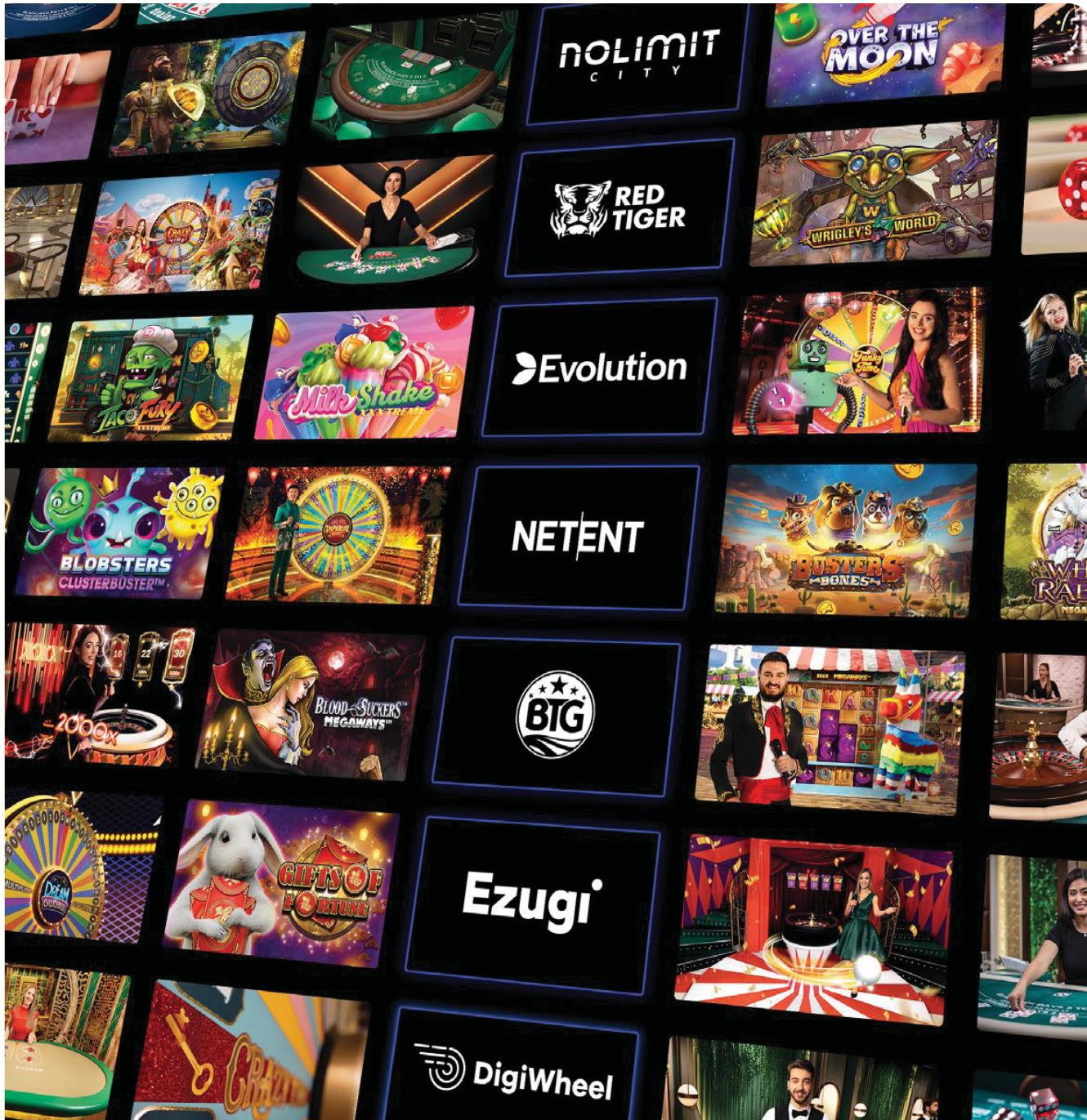
During 2022, we also continued working intensively towards the target of double-digit organic growth in RNG. Overall, revenue growth in RNG was below our expectations. Structural efforts and the revamping of back-end systems have taken longer than expected but we can also perform better in several areas. We continue to see great potential in OSS (One Stop Shop) where our operators can access all our game content through one interface.



The roll-out of OSS continues also in 2023. We are clearly moving in the right direction but, as stated during the year, the path to our growth target will not be linear during 2023.

Already today our RNG business is highly profitable and significantly contributes to profit and cash flow for the group in the year. We see great benefits today, and also going forward, for Evolution to be able to offer both Live and RNG. In areas where Live Casino is in the early stage of development, being able to offer RNG games is a way to enter the market. Products combining Live and RNG elements are an increasing share of our portfolio. One of our most successful new releases 2022 was XXXtreme Lightning Roulette which is a good example of how we can leverage our growing portfolio of brands from both Live and RNG. Crazy Coin Flip, our first Live slot game, is another great example of a game combining both Live and RNG game mechanics. The strengths we identified when we decided to expand into RNG some years ago, are now making themselves felt.

Creating new innovative games and player experiences is always at the centre of what we do. During 2022 we released more games than we have ever done before – in total 88 new games. For 2023 we plan to release more than 100 games. For us, new games both build loyalty to existing players as well as attract completely new categories of players to our game content. New Live Casino titles in 2022 included MONOPOLY Big Baller - a bingo-style live game show and I am also happy that we managed to launch our beautiful version of Live Craps in its home market, the USA. We also added many great RNG titles in 2022 such as Narcos Mexico, Dragons Clusterbuster and 10,001 Nights Megaways. We always want to do more and better, we are fully focused on delivering an expanded line up of slot games for 2023.



We are a truly global company with worldwide operations at scale. Europe including UK and Nordics represents 43 percent of revenues in 2022, followed by Asia 33 percent and North America 13 percent. As part of our global expansion, we continued to invest in studio capacity in 2022. Total capex amounted to EUR 97 million, which is a significant increase compared to the previous year. With currently more than 1,300 live tables, investments in new studios as well as expansion of existing ones, will continue in 2023, and we are also planning for 1-2 new locations during the year.

At the end of 2022 we are over 17,000 employees at Evolution. Finally, I would like to take the opportunity to convey my gratitude to all employees at Evolution for all your great achievements and hard work in 2022. We have lots of work ahead of us also in 2023 and I am looking forward to the rest of the year together with you.

Martin Carlesund,  
Group CEO

# Our business model, vision and strategy

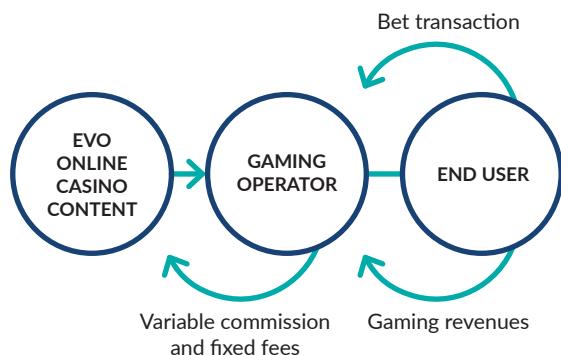
With a scalable business model and a market-leading offering, Evolution is leading the way for the development of the online casino segment on a global basis.

## Mission

To make operators successful and provide an excellent gaming experience for their end users.

## Vision

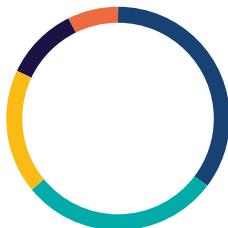
To be the leading online casino provider in the world.



## Business model

Evolution innovates, develops, and produces content for online casino on a B2B basis. Our content can only be played through the interface of an operator who adds important aspects of the gaming experience e.g. authentication of the player, player account management and user interface.

The gaming operators then market and offer the products to their end users. Evolution's customers include the majority of the largest online gaming operators in Europe and North America, as well as a growing number of land-based casinos that have begun to offer games online.



Retained 35%
Shareholders 29%
Employees 18%
Suppliers 11%
Society 7%

The chart shows the distribution of created economic value to employees in the form of salaries, suppliers for purchases of products and services, shareholders in the form of dividends and society in general by taxes and fees.

## Value creation

Through its operations, Evolution creates economic value for its various stakeholders. The company's overarching aim is to create value for its shareholders by providing stable returns over time. In addition, Evolution contributes with value to the local communities where it has a presence, as well as to its employees — who are crucial to the company's success — across Europe and North America. Evolution also has close and long-term relations with its suppliers to ensure quality in the service offering.

## Medium to long-term objectives



### Dividend

To distribute a minimum dividend of 50% of net profit over time.

✓ Outcome 2022: Proposal of **50.6%**



### Growth

To increase the gap to our competitors and grow faster than the global online casino market.

✓ Outcome 2022: **36.3%** compared with **13.0%** for the total online casino market (according to H2GC)

## Revenue model

The majority of Evolution's revenues consist of commission fees for both live and RNG casino. Commission is calculated as a percentage of the operators' winnings generated via the company's casino offering.

For live casino, the most basic agreements normally include access to, and streaming from generic tables, while more complex agreements can include dedicated tables and environments, VIP services, native speaking dealers and other customisations to produce a live casino experience that is unique for the end user and helps the operator to stand out from the crowd.

Dedicated table fees are monthly service charges to operators who have opted to provide dedicated tables for their end users. Dedicated tables are reserved and used exclusively by the operator and can be customised completely to the operator's requirements as regards to studio environment, graphics, brand attributes and language. The fee varies from customer to customer depending on factors such as the type of game, number of tables and active hours.

In addition to commission and dedicated table fees, there are other smaller sources of income such as set-up fees, which are invoiced to new customers in conjunction with the launch of their casino offering.



Changing room in our new studio in Madrid, Spain.

## Cost structure

Evolution's largest cost items are personnel costs. Personnel costs are primarily related to staff and recruitment within operations, as well as IT and product development. Other costs include royalty fees, consultants and communication among others.

Product innovation and development also constitutes a material cost item, both directly in terms of operating expenses, and indirectly through depreciation of capitalised development costs.

## Growth through product innovation

Evolution always strives to increase the gap to the competition. Already today, Evolution has clear leadership in the online casino market and aims to keep its growth momentum. As a group, we are committed to creating the best gaming experience for every player in both live and slots. The most important growth factor is to create games with the highest player entertainment value delivered in an exceptional and flawless way. Since its inception, the company has successfully launched innovative games and solutions that are attractive both to operators and their end users.

The core of our offering is traditional table games - Roulette, Blackjack and Baccarat, the demand for these games remains high, and we will also continue to develop variants and unique twists on these player favourites. We will also continue to expand our range of game shows, utilising the newest technological and live casino studio innovations to appeal to an even broader spectrum of players.

With the broadening of our product offering through the expansion into slots, Evolution has become a powerhouse that now offers solutions for operators and their players across Live Casino, including game shows, RNG table games and slots.

It is the players that are key to achieving our success. In order to earn their attention and excitement we need to be responsive to new player preferences. With technical innovations coming rapidly it is also important for us to be at the forefront of new technology and digital trends in order to stay relevant among players.

In addition to new titles an important part of our product development is to constantly improve the gaming experience in our existing games – securing long-term quality through continuous improvements and enhancement of user interfaces.

We have rebuilt our back-end structure and can now offer our partners our games through one integration – the One Stop Shop solution. It is a way for us to better serve our new and existing partners and facilitates the launch of new games.



## Our growing customer base

Evolution's customer portfolio includes a large number of the major global online operators, platform providers and a growing number of land-based casinos. The main growth will derive from the existing customer portfolio, since operators generally extend the scale of their live offerings. Evolution can also follow existing customers into new markets.

### Customer portfolio

Evolution's customer portfolio, including all brands, consisted of over 700 customers at the end of 2022 and comprises online operators and land-based casinos. The online operators typically offer a wide range of different gaming verticals including RNG games, such as slots, live casino, sportsbook, as well as poker and bingo.

### New customers in 2022

In 2022, agreements were signed with among others Italy's Sisal for the provision of online slots and jackpots from the Group's NetEnt and Red Tiger brands. The deal builds on Sisal's existing partnership with Evolution for the provision of Live Casino; Holland Casino Online for the supply of the full catalogue of NetEnt and Red Tiger online slots titles; Soaring Eagle Gaming for the provision of online casino content in Michigan; PlayStar for the provision of Evolution's online Live Casino and 'First Person' RNG-based casino games in New Jersey. Evolution also renewed its existing US agreement with FanDuel Group to become FanDuel's sole provider of live dealer table games across the entirety of the regulated US online gaming market. Agreements were also concluded with a number of smaller operators and platforms, while many existing agreements were expanded to cover additional services and tables.

### Risk assessment for new customers

As a B2B provider, Evolution's revenues are generated via gaming operators and casinos. The company has stringent monitoring processes in place to detect attempts at fraud and money laundering, but it is the operators that handle all monetary transactions with their end users.

The company has established due diligence processes for when new agreements are signed and to continually evaluate existing customers. Evolution is always able to discontinue its services to operators that fail to comply with the relevant regulations, or that in some other way jeopardise Evolution's market position and/or gaming licences.

### Customer dependency

Evolution's largest customer accounted for approximately 14 percent (11) of revenues in 2022, and the five largest customers accounted for roughly 30 percent (22) of revenues.

#### Customer dependency (% of revenues)

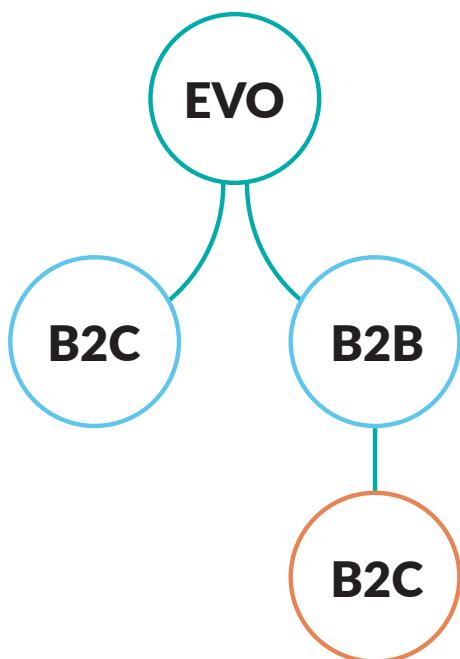
	2018	2019	2020	2021	2022
Top 1-5	32%	27%	33%	22%	30%
Top 1	7%	6%	11%	11%	14%



## Due Diligence Process

Evolution innovates, develops, and produces content for online casino on a B2B basis. Our content can only be played through the interface of an operator who adds important aspects of the gaming experience e.g. authentication of the player, player account management and user interface.

Evolution only provides its products to customers with a valid license for online casino granted by a country or a state (jurisdiction) and monitored for compliance by the relevant regulatory instance. Evolution supplies both licensed B2C casino operators, which then supply the games to players, and licensed B2B-actors, which then supply the games to B2C licensed operators, which in turn offer them to players.



Similar to other regulated industries, it is the regulator's mandate to issue licenses and monitor license holders' compliance. Evolution performs a robust KYC of any direct contractual partner, whether B2C or B2B. Evolution demands all B2B operators to perform a robust KYC on their B2C customers (our sublicensees) and Evolution performs an abridged due diligence on those sublicensees before approving them.

Prior to accepting a new customer, Evolution performs due diligence. The due diligence is stipulated by the regulator for the related jurisdiction and includes:

- Governance structure presentation – which includes unique beneficial owner background checks
- That the customer is licensed for their target markets
- For customers with a B2B-license, Evolution requires the customer to report any new operator and present their operator's license
- The due diligence is repeated annually
- As part of the KYC Evolution also performs a Business Risk Assessment whereby each customer is rated against a risk matrix
- In addition, Evolution has an on-going dialogue with all relevant regulators, and we are regularly audited by the regulators. Any identified means to refine our processes is of course implemented accordingly.

In the annual due diligence reviews of existing customers, all suspected irregularities that apply to Evolution are carefully investigated. If a customer fails to meet the terms and conditions or requirements in the contract, Evolution reserves the right to terminate the agreement. If a regulator suspects non-compliance in relation to Evolution products, Evolution works with the regulator to investigate the situation and take relevant action and in the event that a regulator would withdraw a customer's license, Evolution would discontinue that customer.

# Directors' report

The Board of Directors and the Group CEO of Evolution AB (publ) 556994-5792 ("Evolution") hereby present the annual accounts for the Group and the Parent Company for the 2022 financial year.

## Operations

Evolution develops, produces, markets and licenses fully integrated live casino and slots solutions to gaming operators. In live casino, a game presenter, i.e. dealer, runs the game from a casino gaming table that is followed in real time via a video stream. End users, i.e. the players, make betting decisions on their devices (computers, smartphones, tablets, etc.).

Evolution is a B2B supplier and, at the end of 2022, the Group had more than 700 customers, including a majority of the foremost online casino operators in Europe and the USA, as well as a number of land-based casinos. The operators market the products to the end users.

Evolution's live casino platform is unique in its kind and covers all aspects required by a gaming operator – from the recruitment and training of game presenters and other staff to streaming, production, supervision, customer services and follow-up. Operators are offered a fully customised solution with a high degree of adaptability such as standard and VIP tables, control of how the environment looks and dedicated dealer teams. The Company has a broad portfolio of core games including both classic table games and new innovative casino games. Various game derivatives are also available, i.e. variations of the core games with new technical solutions and new content.

Evolution has production studios in Riga, Latvia, Tbilisi, Georgia and Fort Mriehel, Malta, where a majority of the operations are conducted. In addition, the Company has studios in New Jersey, Pennsylvania, Michigan and Connecticut, USA as well as Vancouver, Canada, Kaunas, Lithuania, Madrid, Spain and Yerevan, Armenia. The Company also runs on-premise studios at land-based casinos in Belgium, Romania, and Spain. The Parent Company of the Group is located in Stockholm, Sweden.

Evolution's revenues consist of fixed and variable consideration from the Company's customers. A majority of the revenue derives from commission, which is calculated as a percentage of the customer's profit generated by the Company's online casino platform. Through commission, Evolution gains beneficial exposure to the general growth of the global online casino market. In addition to commission, a proportion of the Company's revenue derives from fees for dedicated tables. These are invoiced to customers who have chosen to offer their end users dedicated tables.

## Business concept and vision

Evolution's business concept is to offer gaming operators in regulated markets an unparalleled, locally adapted online casino service for all digital platforms. Its mission is to make operators successful and provide an excellent gaming experience for their end users. Evolution's vision is to be the leading online casino provider in the world.

## Significant events in 2022

- Launch of 11 new Evolution live games, including titles in the unique game shows category, 5 live games from Ezugi
- Investments in studios throughout the year to meet global demand for online casino
- Agreements with several new operators
- Acquisition of Nolimit City, supplier of online slot games
- The Board proposes a dividend of EUR 2.00 per share (1.42).

## Market

The global online casino market (Live & RNG) developed strongly in 2022 and, according to the independent institute H2 Gambling Capital, it had an estimated value of EUR 28,437 million (25,165) at year-end. The North American online casino market had an estimated value of EUR 7,206 million (5,646) at year-end, the European EUR 15,474 million (14,650), and the Asian market was estimated to have a value of EUR 3,926 million (3,353). The development of online gaming is underpinned by technological progress and new distribution channels, as well as strong demand from gaming operators and their end users. Slots/RNG is the largest vertical with approximately 75 percent of the online casino market.

Evolution has a leading position among live casino operators in both Europe and North America. The Company intends to continue strengthening its leading position in the market by having a clear focus on activities that promote the business and the offering. The three strategic core areas — product innovation, customer optimisation and operational excellence — are considered to be of particular importance for a continued expansion of the advantage held compared to other players in the market and the creation of a stable foundation for continued growth.

## New agreements and customers

In 2022, agreements were signed with among others Italy's Sisal for the provision of online slots and jackpots from the Group's NetEnt and Red Tiger brands. The deal builds on Sisal's existing partnership with Evolution for the provision of Live Casino; Holland Casino Online for the supply of the full catalogue of NetEnt and Red Tiger online slots titles; Soaring Eagle Gaming for the provision of online casino content in Michigan; PlayStar for the provision of Evolution's online Live Casino and 'First Person' RNG-based casino games in New Jersey. Evolution also renewed its existing US agreement with FanDuel Group to become FanDuel's sole provider of live dealer table games across the entirety of the regulated US online gaming market. Agreements were also concluded with a number of smaller operators and platforms, while many existing agreements were expanded to cover additional services and tables.

## Revenues and profit

### Revenues

Evolution's total operating revenues amounted to EUR 1,456.7 million (1,068.8) in the financial year ending on 31 December 2022. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised live casino environments.

### Expenses and profit

Total operating expenses amounted to EUR 548.7 million (414.8). The Company's personnel expenses rose to EUR 289.6 million (207.2), mainly driven by higher expenses for personnel in connection with the launch of new tables in the Company's studios.

Depreciation, amortisation and impairments amounted to EUR 100.4 million (80.6), an increase explained primarily by the expansion of the Company's studios. Other operating expenses rose to EUR 158.7 million (127.0), driven by expenses for premises, consumables and communications. Operating profit for the year amounted to EUR 908.1 million (654.0) with an operating margin of 62.3 percent (61.2).

Financial items only had a marginal impact on the profit and amounted to negative EUR 1.5 million (-6.5).

The Group's effective tax rate for the year amounted to 7.0 percent (6.5). The effective tax rate is affected by the countries in which Evolution conducts operations and generates profit, which may vary between reporting periods. Profit for the year amounted to EUR 843.4 million (605.4).

## Investments

After the acquisition of NetEnt AB, Evolution AB initiated a buy-out proceeding regarding the outstanding shares in NetEnt AB in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)).

In the buy-out proceeding, Evolution AB's right to acquire the outstanding shares and the price to be paid for the shares has been determined by an arbitral tribunal. Evolution AB has been granted title to, and has acquired, the shares under an arbitral award concerning buy-out of shares. In Q1 2022 payment has been effected of the price for the shares, SEK 85.59 and interest SEK 2.34, in total SEK 87.93, per B-share in NetEnt AB. Total amount was SEK 683,064,948.33.

On 1 July 2022, Evolution acquired Nolimit City Holding Ltd. The up-front consideration was paid in cash corresponding to EUR 200 million, and working capital settlement of EUR 14.3 million. In addition, Evolution may pay earn-out payments in cash, based on Nolimit City's EBITDA for the years 2022, 2023 and 2024, respectively. The earn-out payments will amount to a maximum of EUR 140 million, and become payable in 2023, 2024 and 2025, respectively.

The Group's investments in intangible assets amounted to EUR 36.3 million (28.3) in 2022. Investments in intangible assets refer to the development of new games and technical improvements of the platform, such as new functionality. Development projects during the year included the development of new games that will be launched in 2023, but also exclusive content rights.

Investments in property, plant and equipment amounted to EUR 60.7 million (33.3). Investments in property, plant and equipment primarily comprised new studio space and premises, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

Investments in computer equipment were also made to meet needs in connection with the organisation's expansion, as well as in studio equipment in the Company's production studio.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 877.5 million (598.9) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 371.6 million (-155.0). A description of the investing activities is provided in the Investments section above. Cash flow from financing activities was negative in the amount of EUR 394.2 million (-248.5) and included dividend to shareholders of EUR 302.8 million (144.4) and buy back of own shares of EUR 75.6 million (123.3). Cash and cash equivalents amounted to EUR 532.6 million (421.4) at year-end.

## Employees

As of 31 December 2022, Evolution employed 17,026 (13,410) people, corresponding to 12,144 (8,987) full-time equivalents. The average number of full-time equivalents for the full-year was 10,802 (7,917).

## Sustainability

Evolution AB's sustainability report is prepared in accordance with the requirements of the Annual Accounts Act (chapter 6, paragraph 12) on sustainability reporting. The sustainability report is on pages 31-48.

## Parent Company

The Parent Company is a holding company that was formed in December 2014. Operating revenues for the 2022 full-year amounted to EUR 19.6 million (19.2) and expenses to EUR 19.5 million (18.9). Operating profit amounted to EUR 0.1 million (0.3). Profit for the period amounted to EUR 592.3 million (250.9). The Parent Company's cash and cash equivalents amounted to EUR 6.3 million (80.0) at the end of the year and equity amounted to EUR 3,041.6 million (2,829.3). No significant investments were made in intangible or tangible assets. During the year, the Company received dividends from the Maltese subsidiary amounting to EUR 590 million (250).

## Risk factors

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, sustainability and financial risks. When assessing the Company's future development, it is important to take into account the risk factors alongside any opportunities for profit growth. The risk factors are not set out in any particular order, importance or potential impact on the Group's revenue, profit or financial position.

Neither should these be seen as exhaustive, but rather as representing risks that are applicable to Evolution and that are monitored and evaluated by the Group management. In addition, the risks below are not the only risks to which the Group may be exposed. The Company may be unaware of certain risks. Financial risks are described in Note 21 Financial risk management.

## Political decisions and other legal aspects

Evolution generates the majority of its income through the licensing and supply of its software and technology to gaming operators. The Group's business is therefore strongly dependent on the laws and regulations relating to the supply of gaming services. These laws and regulations are complex and inconsistent across jurisdictions and are subject to change as various jurisdictions regulate, deregulate and/or re-regulate the gaming industry. Direct enforcement actions may be taken against a member of the Group or any of its officers or directors, particularly in instances where the provision of the Group's services to a gaming operator is critical to the

underlying gaming transactions. Should any of these events occur, the impact could have a material adverse effect on Evolution's business, financial position and profit.

Although the gambling laws and regulations of many jurisdictions do not specifically apply to the supply of services by licensors of gaming software, certain jurisdictions have sought to regulate or prohibit the supply of such services. While Evolution currently holds all licences and certifications deemed necessary to carry out its business, national gambling laws are under review and changing in European countries. The Company may be subject to such laws, directly or indirectly, insofar as it supplies services to customers that are subject to such laws. Changes in the regulatory frameworks of different jurisdictions could impact the Group's business in that such changes may lead to an increase in the number of market participants and competitors, result in customers losing their licences and permits to operate in such jurisdictions or break up monopolistic gaming operators, which could impact the Group's underlying contractual relationships.

Furthermore, many jurisdictions have not updated their laws to address the supply of remote gaming services from other countries, and courts may interpret older legislation unfavourably or determine that the activities of the Group and/or its customers are illegal. For example, a court or regulator may order that certain equipment be located in the jurisdiction in which products and services are offered, which could materially and adversely impact Evolution's operations and the business of its customers. Furthermore, several European countries have introduced, or are in the process of introducing, new online gaming regulations, which will require online gaming operators, and in some cases even providers, to hold, e.g., a country specific licence, pay gaming taxes, operate from a country domain and report gaming statistics in order to bring operators (and end users) under supervision. Although Evolution monitors the regulatory environment, legislation could be interpreted in an unfavourable or unanticipated manner. If regulatory or enforcement actions are brought against any of Evolution's customers, the Group's revenue streams from such customers may be frozen or traced by authorities, even if no Group entity is made a party to any legal proceedings against such customers. As a result, end users may face problems transferring funds in and out of certain jurisdictions, which may impact payments to gaming operators and hence Evolution.

In addition to gaming laws and regulations, Evolution is subject to a wide variety of laws and regulatory requirements. For example, the Group must comply with anti-money laundering regulations, market abuse regulations, data protection and privacy regulations (including GDPR), and is required to share bet and other transactional data with local regulators in certain markets. Compliance with all such laws and regulation laws is complex and expensive. The Company's non-compliance or deemed non-compliance with any of these other laws and regulatory requirements could result in sanctions. Any failure by Evolution to comply with these

other laws and regulatory requirements could have a material adverse effect on the Group's business, financial position and profit.

#### Operations subject to official approval

Evolution has obtained and is obliged, given the nature of the software, services and technology it supplies, to maintain its licences and certifications in a number of jurisdictions, and may in the future be required to obtain licences and/or certifications in other jurisdictions. If any of these are withdrawn or are not renewed on equivalent terms (e.g. where there is a change in view as to what equipment needs to be located locally), the Company may not be able to continue to operate and offer services in certain jurisdictions. Additionally, to the extent that Evolution is unable to obtain requisite licences and/or certifications in jurisdictions, particularly with respect to jurisdictions that fall within or are comprised of newly regulated markets, the Company may not be able to follow customers into these jurisdictions and newly regulated markets. In such an event, customers may turn to competitors that are licensed and/or certified in the applicable jurisdiction, or that become licensed and/or certified before Evolution does. Any failure to renew or obtain any such licence or certification could have a material adverse effect on the Group's business, financial position and profit.

Evolution's customers operate in a regulated industry, the laws and regulations of which are in a constant state of change. Various jurisdictions have implemented changes to their markets by introducing regulatory frameworks and licensing requirements. In addition to complying with local laws governing general business operations, the Company's customers may be required to adapt to new licensing regimes and conditions, such as the requirement to establish real-time data interfaces with the local regulator or pay retrospective taxes as a condition for the granting of a licence to operate in a particular jurisdiction. If the Company's customers refrain from entering newly regulated markets, or decide to exit markets in which they currently operate, due to changes in the local regulatory or licensing framework thereof, the Company's growth strategy and customer base could be adversely impacted.

#### Disruptions to operations and information security breaches

Evolution's ability to provide its software to gaming operators depends upon the integrity, reliability and operational performance of its systems. The functioning of the IT systems within the Group's operations, or that of its providers or partners, could be disrupted for reasons beyond its control. Furthermore, there may be technological challenges in rolling out new products and services.

Any such disruption or event may lead to customer claims against the Group or otherwise negatively impact the Group's ability to sell products and services to its customers due to reduced confidence. Any interruption in the systems could have a negative effect on the quality of products and services offered by Evolution and, as a result, on demand from

customers and their end users. The Group's success depends, in part, on providing secure products and services to customers for use by their end users. Attempts to penetrate security measures may come from various combinations of customers, end users, employees and others. The Group's IT systems are ISO-27001:2013 certified and the ability to monitor and ensure the quality and integrity of Evolution's products and services is continuously reviewed and evaluated.

#### External anomalies

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of event which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences. The spread of the Coronavirus is affecting societies and companies all over the world. Evolution employs over 17,000 persons and most of our games require staff on site in the studio to operate the games. Risks for Evolution include shortage of staff due to increased sick-leave or government restrictions on travelling to and from the workplace. Due to the digital nature of our products, restrictions on physical movements in society do not affect how operators and players can access our products.

#### End users

Although Evolution does not provide its services directly to end users, people who play live casino games with an operator via the Company's platform could sue the Company in its capacity as a developer and facilitator of games. While such claims against Evolution are likely to be dismissed, they could give rise to expenses and reduce confidence in the Group or impact its customers.

#### Dependence on key personnel and skilled employees

The majority of Evolution's employees operate, organise and oversee operations at the gaming tables. Approximately 87 percent of the Group's full-time employees work on tables as hosts and dealers. These employees possess language, dealer and other trade skills that are essential in the day-to-day operations. Evolution aims to be an attractive employer and invests significantly in the training and development of its staff. In the ordinary course of operations, the Company experiences employee turnover with respect to employees working on tables, and such turnover can at times be significant. The loss of a significant number of its employees or any of its key employees, or any increased expenses that the Group may incur in order to retain any such employees or hire and train new employees, could have a material adverse effect on the Group's business, financial position and profit.

In addition, Evolution's business is dependent on a number of key individuals, senior executives and persons with specialist skills. These key individuals have established good relationships with market participants and have a thorough understanding of the complex environment in which the Group operates. Accordingly, these key individuals are central to the successful development of Evolution's business.

If any of these individuals terminate their relationships with the Group, or materially change or reduce their roles within the Group, Evolution may not be able to replace them or their services on a timely basis with other professionals capable of making comparable contributions to operations.

#### Dependence on major customers

In 2022, the top five customers (in terms of revenue generated) contributed 30 percent (22) of Evolution's revenue.

The Group's revenue stream from these sources may be adversely impacted by any deterioration or decline in the business of these five customers, or if one or more of these customers opted to use a competitor of the Company for its live casino solutions. The reduction in revenue generated from, or loss of, one or more of these five customers could have a material adverse effect on the Group's business, financial position and profit.

#### Counterparty risk

Evolution is subject to counterparty risks, primarily the risk of payment default by operators. Although the Group conducts credit checks for new customers and has historically experienced low levels of payment default by its customers, the rate of customer default may rise or increase in the future. In particular, such risk may increase if Evolution were to expand into new markets where customers are less financially stable. Any payment defaults by operators could have a material adverse effect on the Group's business, financial position and profit.

#### Competition

Evolution operates in a competitive industry. Competition is expected to continue to intensify as new live casino providers enter the market and existing providers improve and expand their product and service offerings. If Evolution fails to compete effectively, it may result in a loss of customers and an inability to attract new customers, which could have a material adverse effect on the Group's business, financial position and profit. The Company's objective is to strengthen its leading market position and retain existing and attract new customers by developing its successful live casino platform further while focusing on a number of areas considered to be of strategic importance for continued growth.

#### Intellectual property rights

Evolution's ability to compete effectively depends, amongst other things, on its ability to protect, register and enforce its intellectual property rights. The Group also faces the risk that the use and exploitation of its intellectual property rights, including, in particular, rights relating to its software, may infringe the intellectual property rights of a third party. The expenses incurred in bringing or defending possible infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Company may result in royalties or damages being payable and/or the Company being required to cease using any infringing intellectual property or embodiments of any

such intellectual property. The Group is also dependent on know-how and trade secrets, and it strives to protect such information by, for example, maintaining confidentiality agreements with employees, consultants and partners.

However, it is not possible to ensure total protection against unauthorised distribution of information and competitors, and others may gain access to such information, which may lead to the value of such information diminishing or competitors gaining an advantage, which in turn could have a material adverse effect on the Group's business, financial position and profit.

#### Shares and ownership

A detailed description of Evolution's shares and ownership can be found on pages 27-28.

The Company has, during the period 9 February 2022 – 18 February 2022, acquired a total of 747,000 own shares within the framework of the repurchase programme introduced by the Board of Directors to improve the capital structure of Evolution by reducing the capital, and thereby creating added shareholder value. The shares were bought for an average price of SEK 1,068.80. The nominal value amounted to EUR 0.003 corresponding to 0.35 percent of the share capital. During the period 6 December 2021 – 30 December 2021, a total of 1,158,865 own shares were acquired for an average price of SEK 1,091.20. Thus, Evolution's own holding of shares is 1,905,865 shares, average price SEK 1,082.40, each with a nominal value of 0.003, corresponding to 0.89 percent of the share capital.

#### Risk management

Evolution is exposed to the risk of money laundering and fraudulent activities by its customers, end users and third parties, as well as the potential collusion by operators and end users. The Group has implemented internal control systems and established a primary mission control centre in Latvia that monitors transactions, volumes and patterns, but these systems may not always succeed in protecting the Group from money laundering and fraud. To the extent that the systems are not successful in protecting the Group from money laundering or fraud, or if Evolution fails to comply with applicable regulations, the Group and its directors could be subject to criminal sanctions or administrative and civil fines and could directly suffer loss, the revocation of concessions and licences, operational bans, or lose the confidence of the customer base, all of which could have a material adverse effect on the Group's business, financial position and profit. In addition, effective internal controls are necessary for Evolution to provide reliable financial information and effectively prevent fraud. While the Group applies procedures and a system of internal control whereby internal risks are assessed, and the Group's Risk Committee meets on a quarterly basis to discuss and address potential risks, it is possible that the Group will not successfully manage internal risks or identify areas requiring improvement in the internal controls.

## Tax situation

Evolution primarily conducts its business through subsidiaries that are active in the geographic markets in which it operates. The business, including intra-Group transactions, is conducted in accordance with the Company's interpretation of applicable laws, tax treaties and other regulations concerning taxes and the practice of tax authorities in the relevant countries.

Evolution has obtained advice from independent tax advisors in this respect, but there is a risk that tax authorities in relevant countries may make decisions that deviate from the Group's interpretations and the advice received from independent tax advisors. In addition, the Group's interpretation of applicable laws, tax treaties, regulations and administrative practice may be incorrect and such rules may change, possibly with retroactive effect (in particular with regard to Maltese VAT legislation and the right of companies to deduct VAT). Furthermore, the Company has been advised that, to the extent that an individual ordinarily resident and domiciled in Malta acquires 5 percent or more of the Company, although the tax refunds in Malta should not be limited, certain Maltese withholding tax obligations may be imposed in respect of dividends attributable to such individuals. Regulatory or legislative changes, or decisions by tax authorities, may impair the present, future or previous tax position of Evolution, which could have a material adverse effect on the Group's business, financial position and profit.

Evolution is closely following and preparing for global, EU and local legislative changes following the OECD's reform of international taxation, which includes the minimum taxation component, known as Pillar 2. These legislative changes related to Pillar 2 are expected to increase Evolution's effective tax rate from 1 January 2024 onwards.

## Expectations regarding future development

The company's future development is mainly dependent on the development of the online Casino market. Evolution's medium to long-term objective is to grow faster than the total global online casino market.

## Proposed appropriation of profits

The Board of Directors proposes that the 2023 Annual General Meeting approve the transfer to shareholders of EUR 427,314,288 (302,751,455), corresponding to EUR 2.00 (1.42) per share.

### The following earnings are at the disposal of the Annual General Meeting

Share premium reserve	2,604,735,409
Retained earnings	-156,089,411
Profit for the year	592,315,617
<b>Total</b>	<b>3,040,961,615</b>

### The Board of Directors proposes the following appropriation

Dividend to shareholders	427,314,288
EUR 2.00 per share x 213,205,250 shares	2,604,735,409
Carried forward in share premium reserve	8,911,918
<b>Total</b>	<b>3,040,961,615</b>

## Statement by the board of directors on the proposed allocation of profits

With reference to the above and to what has otherwise come to the Board of Directors' knowledge, the Board of Directors believes that a comprehensive assessment of the Parent Company and the consolidated financial position indicated that the dividend is justified taking into account the demands that scope and risks of the operations place on the scope of equity in the Parent Company and the Group and on the consolidation needs, liquidity and financial position in other regards of the Parent Company and the Group.

The Group's and the Parent Company's positions as of 31 December 2022 and the profit of the operations for the 2022 financial year are stated in the following income statements and balance sheets, cash flow statements, statements of changes in equity and notes to the financial statements.

## Conflict in Ukraine

During the year, Russia launched a military attack on Ukraine. Evolution had a game development hub in Ukraine, its activity has during the year been significantly reduced albeit Evolution still has a legal entity in the country. Evolution continues to have no offices or customers based in Russia, and the direct financial effects of the war and sanctions during the year were not material to the group in 2022.

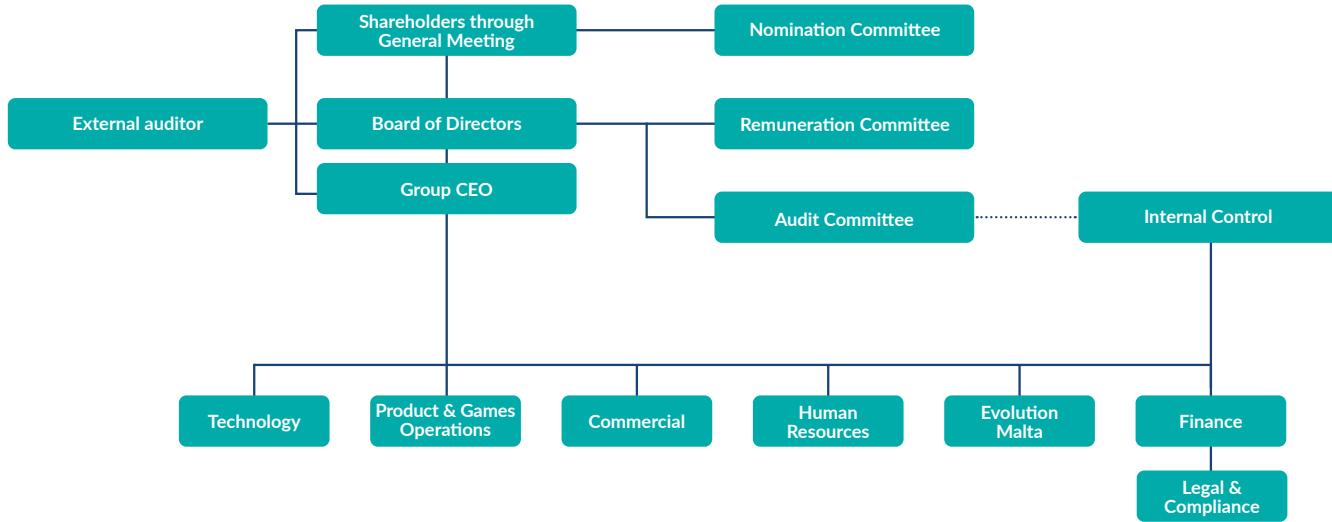
## Events following the balance sheet date

On 28 February 2023, the incentive programme 2020/2023, which was decided by the extraordinary general meeting on 16 January 2020, expired. Shares can be subscribed from 28 February and the following 30 calendar days. The incentive programme has a cap, if the average share exceeds 200 percent of SEK 373.90 during ten trading days ending of the date three trading days before first exercise date, the number of shares each warrant entitles subscription for and the share subscription price is recalculated. Before the submission of the Annual Report, 1,073,180 warrants were used to subscribe for 493,662 new shares in the Company, the new shares were subscribed for SEK 821.60. Expected dilution effect is approximately 0.2 percent.

# Corporate governance report

Evolution AB (publ) ("Evolution") is a Swedish public limited company that was formed in December 2014 and that is listed on the Nasdaq Stockholm exchange. Evolution complies with all applicable statutes and regulations, including the Swedish Companies Act, EU Market Abuse Regulation, the Swedish Code of Corporate Governance (the "Code") and other regulations and Nasdaq Stockholm's Rule Book for Issuers. The current Code is available at the Swedish Corporate Governance Board's website [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

## Evolution's corporate governance model



## Ownership and voting rights

At the end of 2022, the share capital in Evolution amounted to EUR 646,536.56, divided between a total 215,111,115 shares with a nominal value of EUR 0.003 each. All shares belong to the same class of shares, with equal voting rights (one vote per share) and shares of the company's capital and profit. On 31 December 2022, there were 101,203 shareholders. At the same point in time, the company's largest shareholders were Capital Group with 15.4 percent of the share capital and votes, and Jens von Bahr as well as Fredrik Österberg (through Österbahr Ventures AB) with 10.4 percent of the share capital and votes.

The ten largest shareholders represented 46.2 percent of the share capital and votes. Further information about the company's share and shareholders is presented under "The Evolution share" on page 27-28 and on the company's website.

## General Meetings

The Annual General Meeting is Evolution's highest decision-making body, at which shareholders exercise their influence on the company. All shareholders registered in the company's CSD register who notify the company in time of their attendance are entitled to attend the General Meeting and vote for all of their shares. The company's Annual General Meeting is held in the spring. The date and venue are announced in connection with the third interim report at the latest.

Information on how shareholders can have a matter considered at the Annual General Meeting in the following year, and when, at the latest, such a request must be received is detailed on the company's website in connection with the publication of the third interim report at the latest. Notice of the Annual General Meeting is published no later than four weeks prior to the meeting through an advertisement in Post- och Inrikes Tidningar (official Swedish gazette) and by posting the notice on the company's website. The company will place an advertisement in Swedish financial daily Dagens Industri that the notice has been issued.

The Annual General Meeting's mandatory duties include making decisions on:

- Adoption of the income statement and balance sheet
- Appropriation of profits and dividend
- Discharge from liability for the Board of Directors and the Group CEO
- Election of the Board of Directors and auditors
- Determination of fees for the Board members and the auditors
- Nomination Committee.

At the Annual General Meeting, decisions are normally made by a simple majority of the votes cast. On certain decision matters, however, the Swedish Companies Act requires a proposal to be approved by a larger proportion of the votes cast.

Extraordinary General Meetings may be held when necessary.

### Annual General Meeting 2022

The 2022 Annual General Meeting was held on 8 April 2022. At the meeting, 45.9 percent of all shares and votes were represented.

At the annual general meeting income statements and balance sheets for 2021 for the company and the group were adopted and it was resolved on, among other things, a dividend of EUR 1.42 per share, discharge from liability for the board members and the managing director, re-election of the board members and the chairman of the board, authorisation for acquisition and transfer of own shares, reduction of the share capital through redemption of own shares and increase of the share capital through bonus issue as well as authorisation for the board of directors to issue shares, warrants and convertible debt. The minutes of the meeting, as well as other documentation from the meeting, are available on the company's website.

### Annual General Meeting 2023

The 2023 Annual General Meeting will take place on 4 April 2023. Notification of the meeting will be issued on the company's website, where requisite documents, such as information providing the basis for decisions, will also be made available prior to the meeting.

### Nomination Committee

The Annual General Meeting determines how the Nomination Committee should be appointed. At the 2022 Annual General Meeting, it was decided that the Chairman of the Board of Directors is to contact the three largest shareholders in terms of votes based on Euroclear Sweden AB's list of registered shareholders on the last business day of August. The three largest shareholders will be given the opportunity to elect one representative each to form the Nomination Committee along with one of the members of the Board of Directors who is independent in relation to the Company's management. If any of these shareholders chooses to waive their right to elect a representative, their right is transferred to the shareholder who, after these shareholders, has the largest share ownership.

In preparation for the Annual General Meeting, the Nomination Committee is tasked with presenting proposals regarding:

- The chairman for the Annual General Meeting
- Number of Board members
- Board members and Chairman of the Board
- Board remuneration
- Possible remuneration for committee work
- Auditors and auditors' fees if such a decision is to be made
- Process for establishing the ensuing Nomination Committee.

The proposals of the Nomination Committee are presented in the notice of the Annual General Meeting and on the company's website. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed under the decision establishing the new Nomination Committee at the 2023 Annual General Meeting.

Member	Appointed by	Independent in relation to the company and its senior management	Share of votes as per 31 December 2022
Martin Rosell (Chairman)	Österbahr Ventures AB	Yes	10.4%
Michael Hayward	WCM Investment Management	Yes	5.1%
Ian Livingstone	Richard Livingstone	Yes	1.9%
Jonas Engwall	Board of Directors of Evolution AB	Yes	0.07%

### Board of Directors

#### Responsibilities and duties of the Board of Directors

The Board of Directors bears the overall responsibility for the organisation of the company and the management of its affairs and is to work in the interests of the company and all of its shareholders. The mandatory tasks of the Board of Directors include determining the company's overall targets and strategies, evaluating the Group CEO, ensuring that there are systems in place for monitoring and controlling the operations and the risks associated with them, ensuring that there is satisfactory control of the company's regulatory compliance and ensuring that the information issued by the company is characterised by openness and is accurate, relevant and reliable.

#### Instructions and policies

The Board of Directors annually reviews and adopts the following corporate governance related instructions and policies among others:

- Rules of procedure of the Board of Directors
- Instructions for the Group CEO
- Rules of procedure of the Audit Committee
- Rules of procedure of the Remuneration Committee
- Code of Conduct
- Sustainability Policy.

## Composition of the Board of Directors

The Board of Directors is appointed by the shareholders at the Annual General Meeting for the period until the end of the next Annual General Meeting and, in accordance with the Articles of Association, shall consist of at least three and at most eight members with no deputies. The Annual General Meeting determines the precise number of members.

At the 2022 Annual General Meeting, Jens von Bahr (Chairman), Joel Citron, Jonas Engwall, Ian Livingstone, Fredrik Österberg, Mimi Drake and Sandra Urie were elected as members of the Board of Directors. For further details of each Board Member, see page 69-70.

Fredrik Österberg was employed by the company as Group Chief Strategy Officer until April 2018.

Jens von Bahr was employed by the company as Executive Chairman until April 2022.

## Independence

The number of Board members who are independent in relation to the company is six (86 percent) and the number of Board members who are independent in relation to major shareholders are five (71 percent). Jens von Bahr and Fredrik Österberg together own approximately 10.4 percent of the shares and votes in the company (through Österbahr Ventures

AB) and are therefore not independent in relation to major shareholders. Since Jens von Bahr has been employed by the company as Executive Chairman during the last three years he is not independent in relation to the company or its senior management.

A Board member may not take part in decisions where a conflict of interest may exist. This comprises decisions regarding agreements between a Board member and the company, agreements between the company and third parties in which the Board member has a material interest that could constitute a conflict of interest for the company, as well as agreements between the company and the legal entity that the Board member represents.

## Working procedures and meetings

In addition to laws and recommendations, the work of the Board of Directors is governed by its rules of procedure. The rules of procedure have been adopted by the Board of Directors and include instructions concerning, among other things, Board meetings and their contents, the division of duties within the Board and information to the Board.

Member	Fees <sup>1)</sup>		Independent <sup>3)</sup>	Attendance <sup>2)</sup>		
	Board fee	Committee fee		Board meetings	Audit Committee	Remuneration Committee
Jens von Bahr	EUR 400,000	N/A	No/No	9	N/A	N/A
Joel Citron	EUR 100,000	N/A	Yes/Yes	9	4	1
Jonas Engwall	EUR 100,000	N/A	Yes/Yes	9	4	1
Mimi Drake	EUR 100,000	N/A	Yes/Yes	9	4	N/A
Sandra Urie	EUR 100,000	N/A	Yes/Yes	9	N/A	N/A
Ian Livingstone	EUR 100,000	N/A	Yes/Yes	9	N/A	1
Fredrik Österberg	EUR 100,000	N/A	Yes/No	9	N/A	N/A

<sup>1)</sup> Fees refer to the amounts approved by the 2022 Annual General Meeting.

<sup>2)</sup> Attendance refers to meetings during the 2022 financial year.

<sup>3)</sup> Independent in relation to the company and the company's management/to the largest shareholders.

## Chairman of the Board in 2022

The Chairman of the Board is appointed by the Annual General Meeting. Jens von Bahr was elected Chairman of the Board by the 2022 Annual General Meeting for the period until the end of the next Annual General Meeting.

The Chairman's role is to organise the work of the Board so that it is run efficiently and generates conditions for optimum performance of the Board's commitments.

## Work of the Board of Directors in 2022

The Board of Directors held 9 meetings in 2022, of which one was a statutory meeting, three to approve interim reports and one to approve the year-end report. All meetings followed an agenda that, on relevant points, was addressed with documentation provided to members prior to the meetings. As a rule, the meetings are also attended by the company's Director of M&A as secretary to the Board, the Group CEO and Group CFO.

At each meeting, the Group CEO updates the Board Members on the company's operational and financial development.

The principal points addressed by Board meetings in 2022 included matters regarding, as well as the approval of, the business plan and budget, Group policies, and annual, year-end and interim reports.

*The matters addressed by the Board of Directors at the Board meetings in 2022 include:*

- **February**  
Adoption of interim report for the fourth quarter of 2021
- **March**  
The company's auditor participated in part of the meeting without the presence of the Group CEO or any other member of company management  
Approval of the annual accounts for 2021  
Evaluation of the work of the Board of Directors and the Group CEO  
Approval of the documentation for the 2022 Annual General Meeting
- **April**  
Adoption of interim report for the first quarter of 2022 Statutory Board meeting
- **July**  
Adoption of interim report for the second quarter of 2022
- **October**  
Adoption of interim report for the third quarter of 2022
- **December**  
Approval of 2023 budget.

## Assurance of quality in financial reporting

The formal work plan adopted annually by the Board includes detailed instructions about which financial statements and what financial information is to be provided to the Board. The Group CEO is responsible for the Board receiving, in addition to the year-end report, interim reports and annual accounts, regular information about the company's financial performance including its financial position and liquidity.

The Board of Directors also examines, primarily through its Audit Committee, the most significant accounting principles applied within the Group in respect to its financial reporting, as well as significant changes in the reporting principles. All Audit Committee meetings are recorded and the minutes kept available to all Board Members and the auditors.

## Evaluation of the work of the Board of Directors

Through a systematic and structured process, the Board shall annually assess its work and the division of labour between individual members. The Chairman of the Board informs the Nomination Committee of the outcome of the evaluation. The Board continuously evaluates the work of the Group CEO and Group management. This evaluation shall be discussed at least once a year at a meeting of the Board without the Group CEO or any other member of Group Management being present.

## Remuneration to the Board of Directors

Remuneration to the Board of Directors is proposed by the Nomination Committee and approved by the Annual General Meeting. At the 2022 Annual General Meeting, it was decided that a fee of EUR 100,000 should be paid to each Board Member and the Chairman should receive a fee of EUR 400,000.

No specific compensation is paid to the members of the Board committees.

## Diversity policy

The company's Board of Directors has adopted a diversity policy applicable to its own composition. According to this policy, the Board of Directors shall, taking into account the company's operations, stage of development and circumstances, be appropriately composed and characterised by versatility and breadth in terms of the expertise, experience and background of the members elected by the Annual General Meeting. The objective is to seek an even gender distribution on the Board of Directors. Evolution considers diversity important in ensuring that Board Members' profiles provide the necessary range of perspectives, experience and skills required to achieve effective governance. In preparing its proposal for the composition of the Board of Directors, the Nomination Committee takes into account the Code and the Board's Diversity Policy, seeking to achieve diversity on the Board of Directors.

## Board committees

The Board of Directors has established a Remuneration Committee and an Audit Committee.

### Remuneration Committee

The Remuneration Committee consists of Joel Citron (chairman), Ian Livingstone and Jonas Engwall. The Remuneration Committee's duties include preparing the following matters for decision by the Board:

- Salary, other remunerations and pension benefits for the Group CEO
- The company's remuneration policy and other terms of employment for the company's senior management
- Share option programmes and similar arrangements, as well as other rewards or forms of compensation referred to, target a wider range of Group employees.

The Remuneration Committee shall also monitor and evaluate both current and completed variable remuneration programmes for the company's senior management. In addition, the Committee shall monitor and evaluate the application of guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the company. During 2022, one meeting was held at which all members attended.

### Audit Committee

The Audit Committee consists of Joel Citron (chairman), Mimi Drake and Jonas Engwall. The Audit Committee's tasks include:

- Preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the Group
- Monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management
- Regularly meeting the company's auditors and being briefed on the statutory audit, focus and scope of the audit, as well as discussing the coordination between the external and internal audit as well as the view of the risks in the company
- Establishing guidelines for which services, beyond audit services, the company may purchase from the auditors, as well as evaluating and monitoring the independence of the company's auditors and, in connection with this, paying particular attention to whether the auditor provides additional services to the company beyond auditing
- Evaluating the audit and informing the company's Nomination Committee of the outcome of this evaluation.

The Audit Committee shall also organise a selection process to prepare recommendations of auditors to the Nomination Committee when so required by applicable rules and assisting the Nomination Committee in preparing its proposals on auditors and compensation for auditing. During 2022, four meetings were held.

## Division of labour between the Chairman of the Board and the Group CEO

The Chairman of the Board is working mainly in the following areas: preparing long-term strategic issues beyond the Group CEO's strategic work within current business plans, ongoing evaluation of strategic partnerships and acquisitions, as well as assisting Group Management in strategic projects and in connection with the recruitment of key competencies. The Group CEO's instructions clarify that the duties of the Chairman of the Board should not interfere with the duties of the Group CEO and that the Chairman of the Board may not perform any ongoing management tasks.

## Auditors

Auditors are elected by the Annual General Meeting. The auditor shall examine the company's annual report and accounts as well as the management by the Board of Directors and the Group CEO. The auditor shall also examine the group accounts, as well as the relationship inter se of group companies. In accordance with the Articles of Association, Evolution shall have one or two auditors. The auditors shall be appointed for the time period until the end of an annual general meeting held not later than during the fourth financial year after the election. The Annual General Meeting held in 2022 re-elected Öhrlings PricewaterhouseCoopers AB as the company's auditors up until the close of the Annual General Meeting held in 2023. The auditor in charge is Johan Engstam, who was born in 1966 and is an authorised public accountant.

## Group CEO and Group Management

Evolution's Group Management has extensive experience and works to achieve long-term profitable growth in line with the company's strategy and vision. The Group CEO is appointed by, and receives instructions from, the Board of Directors. In turn, the Group CEO appoints the other members of Group Management and is responsible for the ongoing administration of the Group in accordance with the Board's guidelines and instructions. The Group CEO reports to the Board of Directors, ensuring that it receives the information needed to make informed decisions. The Group CEO shall also ensure that matters to be addressed by the Board in accordance with applicable legislation, the Articles of Association and internal policies and guidelines are presented to the Board of Directors. The Group CEO attends, and reports to, all Board meetings, except on those occasions when the Group CEO is evaluated by the Board as well as when the Board meets the company's auditor without management attending. Group Management embodies expertise covering all key areas of the company's business and strategy, including the CEO of Evolution's operating subsidiary Evolution Malta Limited. Evolution Malta Limited has a management team that addresses matters related to the operational activities.

### Working instructions for the Group CEO

The Board of Directors has developed and adopted instructions covering the Group CEO's responsibilities and tasks, as well as entitlement to represent the company. Within the framework of applicable laws, the Articles of Association, the Board of Director's formal work plan, the Group CEO's instructions and other instructions issued by the Board, the Group CEO is responsible for overseeing the company's day-to-day operations. The Group CEO is also responsible for ensuring that the Board receives information regularly to be able to monitor the company's financial position, financial planning and development. Prior to each regular Board meeting, the Group CEO shall submit information as

requested by the Board in assessing the company's financial situation, including reports, metrics, proposed business plan and budget, forecasts, interim reports, financial statements and annual reports.

## Remuneration to senior executives

The 2022 Annual General Meeting established guidelines for senior executives for the period up until the Annual General Meeting held in 2023. Senior executives refer to the Group CEO and the Group management of Evolution. The guidelines should also apply to remuneration for members of the Board who are employed by the company, and what is stipulated in the guidelines regarding senior executives should when applicable also apply to members of the Board who are employed by the company. For information on the composition of the Group Management, see page 71-72.

The objective of the guidelines is to ensure that the company can attract, motivate and retain senior executives with the expertise and experience required to achieve company's operating goals. The remuneration shall be based on conditions that are market competitive and at the same time aligned with shareholders' interests. Remuneration to the senior executives shall consist of a fixed and, for some senior executives, variable salary. These components shall create a well-balanced remuneration reflecting individual competence, responsibility and performance, both short-term and long-term, as well as the company's overall performance.

### Fixed salary

The senior executives' fixed salary shall be competitive and based on each senior executive's individual competences, responsibilities and performance. A review of the fixed salary shall be carried out on an annual basis for each calendar year.

### Variable compensation

The senior executives (however not the board member employed by the company) may receive variable remuneration in addition to a fixed salary.

Annual variable remuneration is to be cash based and be based on predetermined and measurable performance criteria for the relevant senior executive aimed at promoting the company's long term value creation. The performance criteria are to be established and documented annually.

Depending on the level of performance achieved, annual variable remuneration can vary from no variable payment up to fifty percent of the annual base salary (however, one senior executive is entitled to variable compensation up to a hundred percent of his annual base salary under his existing employment agreement).

## Incentive programmes

The shareholders' meeting shall be able to decide on long-term share and share-price related incentive programmes directed to, among others, the senior executives (however not to board members who are employees of the company). Such incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders and so that a personal holding of shares in the company is promoted.

## Other benefits

The company provides other benefits to senior executives in accordance with local practice. Such other benefits can include, for example company health care. Occasionally, housing allowance, paid schooling for underage children or travel allowances could be granted.

## Notice of termination and severance pay

The maximum notice period for senior executives during which salary is paid is 12 months. Severance compensation may be paid in an amount not greater than 12 months' fixed salary.

## Deviations from guidelines

The Board of Directors may deviate from the above guidelines where a special cause exists in an individual case. In the event the Board of Directors deviates from the guidelines, it shall explain the reason for the deviation at the following Annual General Meeting.

## Incentive programmes

### 2021/2024 programme

The Extra General Meeting on 28 January 2021 resolved to issue a maximum of 5,000,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 1,113.80 during the period from and including 20 March 2024 (however not earlier than the day after the publication of the company's interim report for the period January–December 2023) up to and including the date that falls 30 calendar days thereafter.

In total 3,948,875 warrants were subscribed, of which 230,396 were bought back during 2021-2022. If all 3,718,479 warrants are exercised for subscription of 3,718,479 shares, the dilution effect will be approximately 1.7 percent.

The recipients of the warrants are key employees throughout the Group. Employees in Sweden and Georgia have paid the market value for the warrants. Employees in other countries have paid the market value for one warrant, while receiving one without payment for each that had been paid for. For warrants acquired at market value, the price (warrant premium) has been determined using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt.

## 2020/2023 programme

The Extra General Meeting on 16 January 2020 resolved to issue a maximum of 4,000,000 warrants. Each warrant entitles the holder to subscribe for one new share in the company for SEK 373.90 during the period from and including 28 February 2023 (however not earlier than the day after the publication of the company's year-end report for the period January–December 2022, the "First Exercise Date") up to and including the date that falls 30 calendar days thereafter.

In total 4,000,000 warrants were subscribed, of which 109,950 were bought back during 2020-2022. The programme has a cap, if the average share price exceeds 200 percent of SEK 373.90 during ten trading days ending on the date three trading days before first exercise date, the number of shares each warrant entitles subscription for and the share subscription price is recalculated. Expected dilution effect is approximately 0.2 percent.

The recipients of the warrants are key employees throughout the Group. Employees in Sweden have paid the market value for the warrants. Employees outside Sweden have paid the market value for one warrant, while receiving one without payment for each that had been paid for. For warrants acquired at market value, the price (warrant premium) has been determined using Black & Scholes valuation model, with the valuation being carried out by Svalner Skatt.

	2021/2024	2020/2023
Exercise price, SEK	1,113.80	373.90
Grant date	20/03/2021	27/02/2020
Expiry date	19/04/2024	30/03/2023
Number of recipients	228	103
<b>Total number of warrants subscribed</b>	<b>3,718,479</b>	<b>3,890,050</b>

## Risk management and internal control

Evolution's control system has been developed to ensure accurate, reliable financial reporting and accounting in accordance with applicable laws and rules, accounting standards and other requirements for listed companies. The foundation of the control environment is defined through policies, routines and manuals, and is upheld with the help of the company's organisational structure with clearly defined responsibilities.

## Control environment

The Board of Directors bears the ultimate responsibility for an effective system of internal control and risk management being in place. Critical accounting issues and issues related to financial reporting are addressed by the Board and in the Board's Audit Committee. To ensure a well-functioning control environment, the Board of Directors has established a number of policies

relevant to corporate governance and financial reporting. These include the Board's rules of procedure, Group CEO instructions and reporting instructions for financial reporting. The company also has a financial handbook, which includes principles, guidelines and process descriptions for accounting and financial reporting. At the statutory Board meeting following the Annual General Meeting, a formal work plan is established for the Board and instructions for the work of the Group CEO are determined, in which responsibilities and powers are further defined.

The Board has appointed an Audit Committee, tasked with preparing the Board's work with regard to quality in the financial reporting and processes for managing the business risks of the company and the group, as well as monitoring the company's financial reporting and assisting the Board in assuring the effectiveness of the company's internal control, internal audit and risk management.

The CFO regularly reports to the Audit Committee and works together with the company's finance function to develop and improve the internal control with regards to the Group's financial reporting, both proactively with a focus on the internal control environment, and by reviewing the effectiveness of internal control.

Responsibility for the daily work of maintaining the control environment rests primarily with the Group CEO. The Group CEO reports regularly to the company's Board of Directors.

The Board of Directors in its entirety or any one Board Member together with the Chairman of the Board may sign on behalf of the company. In addition, the company's CFO and Director M&A together are entitled to sign on behalf of the company.

In accordance with the Swedish Companies Act, the Group CEO may sign alone on behalf of the company regarding duties which the Group CEO is obliged to carry out pursuant to section 29 of the Swedish Companies Act.

## Risk assessment

The Group has established a Risk Management Committee, in which representatives of various relevant parts of the organisation meet quarterly to assess, discuss and mitigate potential risks. The Group has also adopted procedures and established internal risk management control systems, including an annual risk analysis for all business areas within the Group, where the purpose is to identify, evaluate and manage risks threatening the Group's objectives and strategies. The risk analysis is divided into strategic, operational, compliance, legal and financial risks.

To ensure a relevant level of control, each business area has established a number of control activities counteracting the most significant risks identified in the risk analysis. A self-assessment of these control activities is performed annually and reported to the Risk Management Committee, which compiles and evaluates the results and reports to the Audit Committee and the Board of Directors.

### Risk assessment directly related to the provision of gaming services

As certain jurisdictions have laws that explicitly consider the offering of, and participation in, gaming services conditional on particular licences or a criminal offence, the Group continuously undertakes precautionary measures, including Know Your Customer (KYC) checks of licensees and requiring, in its agreements, that operators comply with the laws and regulations applicable to them.

These provisions in the agreements constitute a form of legal protection and prevent certain end users from accessing the Group's products and services. The Group's customers (i.e. the casino operators) are responsible for the end users' access to their online gaming platforms at the local level and in accordance with local laws and regulations.

## Monitoring

Monitoring of control activities is conducted continuously to ensure that risks have been satisfactorily observed and addressed. This includes tracking of results in relation to budget and plans, analyses and key figures. The Board of Directors continuously evaluates the information provided by the company's management team. The process includes both reconciliation of monthly financial reports against budgets and goals and reporting at Board meetings. Through the Audit Committee, the Board of Directors reviews and assesses the internal control organisation and function. The company's policies and instructions are evaluated and updated annually at a minimum or when needed.

The company's CFO presents the results of internal control work as a standing agenda item at Audit Committee meetings.

The results of the Audit Committee's work in the form of observations, recommendations and proposals for decisions and measures are continuously reported to the Board of Directors.

## Information and communication

The company has information and communication channels to promote the accuracy of the financial reporting and to facilitate reporting and feedback from the operations to the Board of Directors and the Group Management, for example by making governing documents such as internal policies, guidelines and instructions regarding the financial reporting available and known to the employees concerned.

The company is subject to the provisions of the EU Market Abuse Regulation No. 596/2014 (MAR). MAR sets out requirements on how inside information is to be published to the market, under which conditions the disclosure may be delayed and in what way the company is obliged to keep a list of persons working for the company and who has access to inside information. The company has assigned a digital and semi-automated tool to ensure that its handling of inside information meets the requirements of MAR and its insider policy. Only authorised persons in the company have access to the tool.

The company's financial reporting complies with Swedish laws and regulations and the local rules in each jurisdiction where operations are conducted. The company's information to shareholders and other stakeholders is provided through the interim reports, press releases and annual report according to the Group's Communication Policy.

## Internal audit

The company has no separate review function (internal audit). The Board does not consider there to be special circumstances in operations or other conditions that would warrant such a function.

# NOTES

## TABLE OF CONTENTS

<b>Note 1. Accounting and valuation principles</b>	<b>85</b>
<b>Note 2. Revenues</b>	<b>93</b>
<b>Note 3. Employees</b>	<b>94</b>
<b>Note 4. Financial income</b>	<b>95</b>
<b>Note 5. Financial expenses</b>	<b>95</b>
<b>Note 6. Income tax and deferred tax</b>	<b>95</b>
<b>Note 7. Earnings per share</b>	<b>96</b>
<b>Note 8. Intangible assets</b>	<b>97</b>
<b>Note 9. Property, plant and equipment</b>	<b>98</b>
<b>Note 10. Participations in Group companies</b>	<b>99</b>
<b>Note 11. Accounts receivable</b>	<b>100</b>
<b>Note 12. Other current receivables</b>	<b>100</b>
<b>Note 13. Prepaid expenses and accrued income</b>	<b>101</b>
<b>Note 14. Cash and cash equivalents</b>	<b>101</b>
<b>Note 15. Other current liabilities</b>	<b>101</b>
<b>Note 16. Accrued expenses and deferred income</b>	<b>101</b>
<b>Note 17. Leasing - Group</b>	<b>101</b>
<b>Note 18. Auditor remuneration</b>	<b>102</b>
<b>Note 19. Transactions with related parties</b>	<b>102</b>
<b>Note 20. Share related remunerations</b>	<b>102</b>
<b>Note 21. Financial risk management</b>	<b>103</b>
<b>Note 22. Critical estimates and assessments</b>	<b>106</b>
<b>Note 23. Acquisitions</b>	<b>106</b>
<b>Note 24. Events following the balance sheet date</b>	<b>108</b>
<b>5-Year Summary</b>	<b>109</b>
<b>Key Ratios not defined in accordance with IFRS</b>	<b>110</b>

**NOTE 2. REVENUES**

The Group CEO considers the Group to consist of a single segment, i.e. the provision of solutions for live casino and associated services to gaming operators.

The Group's revenue derives from fees from gaming operators that use the Group's solutions for online casino and associated services, all recognised at a point in time.

**2 (a) Disaggregation of revenue from contracts with customers per invoicing jurisdiction and non-current assets per country**

	Sweden		Malta		Australia		North America		Curacao		Other		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	52,644	61,122	1,373,167	1,072,016	50,795	23,179	143,259	82,204	319,650	352,626	376,017	265,562	2,315,532	1,856,709
Of which Intercompany	51,812	60,511	389,723	472,309	3,007	1,381	134,446	54,542	2,847	2,770	276,960	196,419	858,795	787,932
Revenue from external customers	832	611	983,444	599,707	47,788	21,798	8,813	27,662	316,803	349,856	99,057	69,143	1,456,737	1,068,777
Tangible and intangible assets	2,197,369	2,428,035	388,240	88,917	473,319	469,221	70,791	22,642	12,962	13,366	105,662	58,018	3,248,343	3,080,199

**2 (b) Liabilities related to contracts with customers**

Group	2022	2021
Opening balance	4,343	1,722
Revenues recognised from opening balance	-2,119	-396
Liabilities recognised	10,217	9,569
Revenues recognised	-9,701	-6,617
Translation difference	3	65
Closing balance	2,743	4,343

**2 (c) Revenue per geographical region**

Group, EUR million	2022	2021
Nordics	89.5	73.1
Great Britain	85.2	81.4
Rest of Europe	458.6	416.9
Asia	478.3	286.5
North America	189.2	114.5
Other	156.0	96.3
<b>Total operating revenues</b>	<b>1,456.7</b>	<b>1,068.7</b>
Revenues regulated markets	600.2	423.8
Regulated markets' share	41%	40%

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas.

Table 2 (c) shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. Great Britain includes the Crown Dependencies. Evolution Group has one customer (one in 2021) that singlehandedly contributed 14 percent (11) to the Group's revenue.

**NOTE 10. PARTICIPATION IN GROUP COMPANIES**

	2022	2021
<b>Opening acquisition cost</b>	<b>2,635,756</b>	<b>2 495 279</b>
Shareholder contribution Malta	2,284,750	140 030
Transfer of ownership of NetEnt to Malta	-2,284,750	—
Redemption shares/warrants NetEnt	-4,976	447
<b>Closing book value</b>	<b>2,630,780</b>	<b>2 635 756</b>

Name	Corporate ID	Registered office	% of equity and votes		Carrying value in Parent	
			31 Dec -22	31 Dec -21	31 Dec -22	31 Dec -21
<b>Direct ownership</b>						
Evolution Malta Holding Ltd	C48665	Sliema, Malta	100	100	2,630,780	346,030
Evolution Services Sweden AB (NetEnt AB)	556532-6443	Stockholm, Sweden	—	100*	—	2,289,726
<b>Indirect ownership</b>						
Evolution Malta Ltd	C48666	Malta	100	100	—	—
Evolution Gaming Malta Ltd	C44213	Malta	100	100	—	—
SIA Evolution Latvia	40003815611	Latvia	100	100	—	—
SIA Evolution Latvia Properties	50103931761	Latvia	100	100	—	—
Evolution Gaming Limited	05944946	Great Britain	100	100	—	—
Evolution Belgium BVBA	0638.824.479	Belgium	100	100	—	—
Evolution Products RO SRL	J40/6452/2016	Romania	100	100	—	—
Evolution US LLC	536294-5	USA	100	100	—	—
EvoGame Estonia OU	14035717	Estonia	100	100	—	—
Evolution Netherlands BV	66682452	Netherlands	100	100	—	—
EG Overseas Services BV	135218	Curacao	100	100	—	—
Evolution Canada Gaming Limited	BC1114063	Canada	100	100	—	—
Evolution Georgia LLC	405209689	Georgia	100	100	—	—
Evolution Alderney Limited	1963	Alderney	—	100	—	—
Evolution Products Development	193224142	Belarus	100	100	—	—
Ezugi NV	126712	Curacao	100	100	—	—
Ezugi NJ LLC	600424206	USA	100	100	—	—
Rommemut Ruah	513411058	Israel	100	100	—	—
Ezugi RO SRL	J23/3190/2019	Romania	100	100	—	—
Evolution Alderney Ltd	C83448	Malta	100	100	—	—
Evolution Georgia Services LLC	400305022	Georgia	100	100	—	—
Darwin's Theory Pty Ltd	648162903	Australia	100	100	—	—
Bigtime Gaming Pty Ltd	65151000592	Australia	100	100	—	—
Evolution Madrid S.L.	B 06959365	Spain	100	100	—	—
Transigo Ltd	543403	Ireland	100	100	—	—
Evolution Development Co Limited	82919295	Taiwan	100	100	—	—
Evolution Services SA PTY Limited	2019/311298/07	South Africa	100	100	—	—
Evolution Pennsylvania LLC	7732917	USA	100	100	—	—
Evolution Studio AM LLC	2861101116835	Armenia	100	100	—	—
Evolution Lithuania UAB	305561054	Lithuania	100	100	—	—
Evolution Canada Studio Limited	BC1253510	Canada	100	100	—	—
Evolution Gibraltar Limited	120192	Gibraltar	—	100	—	—
Evo Products Devleopment Portugal	516364570	Portugal	100	100	—	—
Evolution Services Sweden AB	556532-6443	Stockholm, Sweden	100	—	—	—
NetEnt Alderney Ltd	1790	Alderney	100	100	—	—
NetEnt Americas Holding Inc.	5627584	USA	100	100	—	—
NetEnt Americas LLC	400697458	USA	100	100	—	—
Evolution NetEnt Malta Holding Ltd	C37769	Malta	—	100	—	—
Evolution NetEnt Malta Ltd	C34838	Malta	—	100	—	—
Evolution NetEnt (Gibraltar) Ltd	97195	Gibraltar	100	100	—	—
NetEnt Emerging Markets IOM Ltd	O16618V	Isle of Man	—	100	—	—
NetEnt International Ltd	O17601V	Isle of Man	100	100	—	—
NetEnt Gaming Solutions PLC	C47277	Malta	100	100	—	—
Evolution NetEnt Product Services	C38803	Malta	—	100	—	—
NetEnt Poland Sp. Z o.o	363625687	Poland	—	100	—	—

## ANNUAL REPORT EVOLUTION 2022

Name	Corporate ID	Registered office	% of equity and votes		Carrying value in Parent	
			31 Dec -22	31 Dec -21	31 Dec -22	31 Dec -21
<b>Indirect ownership</b>						
NetEnt Ukraine LLC	380 906 40	Ukraine	100	100	—	—
Intropin Technology Pvt Ltd	U72900TG2020FTC140125	India	100	100	—	—
NetEnt Emerging Markets Ltd	C87995	Malta	—	100	—	—
Red Tiger Gaming Ltd	128396C	Isle of Man	100	100	—	—
Red Tiger International (IOM) Ltd	132871C	Isle of Man	100	100	—	—
Evolution Red Tiger Gaming Malta Ltd	C84904	Malta	—	100	—	—
Evolution Red Tiger International Ltd	C91142	Malta	—	100	—	—
Red Tiger Gaming (Gibraltar) Ltd	118413	Gibraltar	100	100	—	—
Red Tiger Gaming (Alderney) Ltd	132513C	Isle of Man	100	100	—	—
Wholesale Games Ltd	C91137	Malta	—	100	—	—
Dopamine EOOD	203270608	Bulgaria	100	100	—	—
Evolution Products Development Poland Sp. Z o.o.	193224142	Poland	100	100	—	—
Evo LATAM Corp S.R.L.	4065000046288	Costa Rica	100	100	—	—
Evolution Products Development Germany GmbH	HRB 239047	Germany	100	—	—	—
Evolution Argentina S.A.	182550	Argentina	100	—	—	—
Nolimit City Holding Ltd	C53383	Malta	100	—	—	—
Nolimit City Ltd	C54001	Malta	100	—	—	—
Nolimit City Ro SRL	J35/1974/2022	Romania	100	—	—	—
Nolimit City Stockholm AB	556671-7202	Stockholm, Sweden	100	—	—	—
Nolimit City India Private Ltd	06AAGCN2443M1ZB	India	100	—	—	—
Nolimit City Services Ltd	018118V	Isle of Man	100	—	—	—
<b>Carrying value in parent company</b>					<b>2,630,780</b>	<b>2,635,756</b>

\*3,2 percent through compulsory redemption of outstanding shares.

## NOTE 11. ACCOUNTS RECEIVABLE

	GROUP	
	2022	2021
Accounts receivable	283,712	204,058
Credit loss reserve	-6,700	-3,358
<b>Total accounts receivable</b>	<b>277,012</b>	<b>200,700</b>

Historically, the Group's customer losses have been low. The Group's customers operate in a growth market with strong balance sheets. Credit loss reserve is presented in Note 21.

## NOTE 12. OTHER CURRENT RECEIVABLES

	GROUP		PARENT COMPANY	
	2022	2021	2022	2021
Inventory	7,690	3,524	—	—
Prepayments to suppliers	2,159	2,401	69	—
VAT	10,083	6,983	118	—
Other	1,084	267	319	958
<b>Total</b>	<b>21,016</b>	<b>13,175</b>	<b>506</b>	<b>958</b>

# **EXHIBIT 8**


 EGR LIVE CASINO SUPPLIER OF THE YEAR  
NINE TIME WINNER 2010-2018

 EGR MULTI-CHANNEL SUPPLIER  
OF THE YEAR 2018

**Year-end report | January–December 2018 | Evolution Gaming Group AB (publ)**
**Fourth quarter of 2018 (Q4 2017)**

- Operating revenues increased by 38% to EUR 70.2 million (50.7)
- EBITDA increased by 40% to EUR 31.6 million (22.6), corresponding to a margin of 45.0% (44.6)
- Profit for the period amounted to EUR 25.5 million (18.0)
- Earnings per share amounted to EUR 0.71 (0.50)

**Full-year 2018 (2017)**

- Operating revenues increased by 38% to EUR 245.4 million (178.4)
- EBITDA increased by 34% to EUR 107.7 million (80.6), corresponding to a margin of 43.9% (45.2)
- Profit for the period amounted to EUR 83.5 million (62.1)
- Earnings per share amounted to EUR 2.32 (1.73)
- The Board proposes a dividend of EUR 1,20 per share (0.90) and intends to propose a buy-back programme to the Annual General Meeting

**Events during the fourth quarter of 2018**

- Launch of scalable Infinite Blackjack
- Continued expansion in North America

**Events after the end of the quarter**

- Acquisition of Ezugi completed
- 10 new game titles launched at ICE 2019 – increasing the gap to competition

**Summary of the fourth quarter and full-year 2018**

Group (EUR thousands)	Oct-Dec 2018	Oct-Dec 2017	Change %	Jan-Dec 2018	Jan-Dec 2017	Change %
Operating revenues	70,226	50,718	38%	245,418	178,385	38%
EBITDA	31,568	22,599	40%	107,681	80,636	34%
EBITDA margin	45.0%	44.6%	-	43.9%	45.2%	-
Operating profit	26,734	18,806	42%	89,484	66,882	34%
Operating margin	38.1%	37.1%	-	36.5%	37.5%	-
Profit for the period	25,535	18,034	42%	83,460	62,129	34%
Profit margin	36.4%	35.6%	-	34.0%	34.8%	-
Earnings per share (EUR)	0.71	0.50	42%	2.32	1.73	34%
Equity per share (EUR)	4.51	3.05	48%	4.51	3.05	48%
OCF per share (EUR)	0.74	0.49	50%	2.78	1.74	60%
Average number of FTEs	4,005	2,925	37%	3,529	2,639	34%

**For more information, please contact:**  
Jacob Kaplan, CFO  
[ir@evolutiongaming.com](mailto:ir@evolutiongaming.com)

**Visit and follow Evolution:**  
[www.evolutiongaming.com](http://www.evolutiongaming.com)  
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## CEO's comments

I am very pleased to summarise a good end to the year with continued favourable growth and high profitability. Revenues in the fourth quarter amounted to EUR 70.2 million, corresponding to an increase of 38 percent compared with the same period in 2017. EBITDA amounted to EUR 31.6 million with a margin of 45 percent. For the full-year, the margin was 44 percent, which is satisfactory given the high expansion pace. At year-end, we had approximately 550 tables live; significantly more than what we had planned in the beginning of 2018. During 2019, we will invest in a new studio in Malta and continue to expand our existing studios to meet the market demand. At the same time, we optimise the expansion from last year, and we expect a slightly strengthened EBITDA margin in the range of 44-46 percent for the full-year.

We continue to grow in North America. During the fourth quarter, we went live with several new customers in the US, and just after year-end we also signed an agreement with a second customer in Canada. To further strengthen our position, we have also carried out Evolution's first-ever acquisition. With the business of Ezugi, we further extend our footprint especially in the US, while also gaining more studio capacity and resources within product development. Another key activity in North America will be to roll out more games; Live Infinite Blackjack is one example that was successfully launched for our European operators in the past quarter.

Among our markets, the Nordics in particular have exhibited favourable growth in the quarter. Rest of Europe also showed positive progress, while the growth in Rest of World was somewhat lower than in previous quarters. As before, the UK market is currently slow as a consequence of the latest regulatory requirements. At year-end, Sweden's new gaming regulation came into effect, and we can note that several of our customers have been off to a great start.

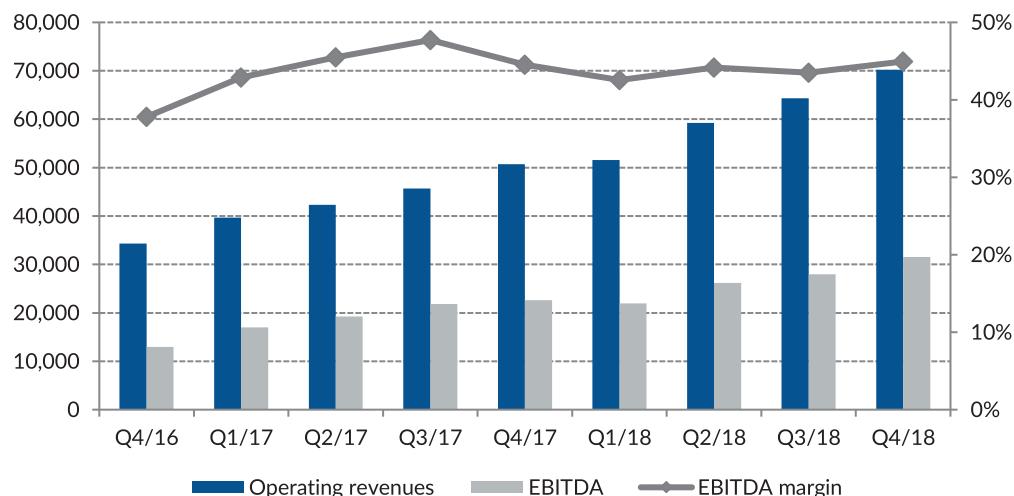
At the publication of this report, this year's edition of ICE has just taken place, and I am immensely proud of the 10 game titles that Evolution revealed at the show. Our product and development teams have put countless hours into creating games beyond the expected, which lay the foundation for continued long-term growth. The main highlight is MONOPOLY Live, which is an evolved special edition of our successful Dream Catcher. We also launched a live game show based on the popular TV programme Deal or No Deal. Both titles have been developed to take the entire Live Casino category to the next level, expand to new player types and create more commercial value for our operators.

Among all the new products, I would also like to highlight our new dice games Lightning Dice and Super Sic Bo. Dice games have a long history and a global attraction, and we confidently look forward to introducing our innovative live versions for our customers.

All in all, we can look back at yet another amazing year in the Evolution history with expansion outside Europe and many successes in innovation and created customer value. With a new studio in Malta and all games that will be launched, I am confident that we are in excellent shape to continue increasing our market leadership going forward. In that context, we can also conclude that the first quarter has been off to a good start.

**Martin Carlesund, CEO**

*Quarterly results trend*



## Financial performance in the fourth quarter of 2018

### Revenues

Revenues amounted to EUR 70.2 million (50.7) in the fourth quarter, corresponding to an increase of 38% compared with the corresponding period in 2017. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games was generally high over the quarter and the number of bet spots from end users amounted to 4.4 billion (2.8). Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

### Expenses

Operating expenses amounted to EUR 43.5 million (31.9). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios. At the end of the quarter, the number of employees amounted to 5,847 (4,014), corresponding to 4,319 (3,085) full-time positions. The strong expansion has also increased other operating expenses compared with preceding quarters.

### Profitability

Operating profit amounted to EUR 26.7 million (18.8), corresponding to an increase of 42 percent. The operating margin was 38.1 percent (37.1). The EBITDA margin was 45.0 percent (44.6).

Net financial items only had a marginal impact on profits and related to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 4.4 percent (3.9). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 25.5 million (18.0). Earnings per share before dilution were EUR 0.71 (0.50).

### Investments

Investments in intangible assets amounted to EUR 6.6 million (3.2) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality, as well as exclusive content rights which were previously reported as financial assets.

Investments in property, plant and equipment amounted to EUR 3.1 million (3.3) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 26.6 million (17.8) during the quarter. Cash flow from investing activities was negative in the amount of EUR 4.8 million (negative 7.4). Cash flow from financing activities was negative in the amount of EUR 0.4 million (negative 0.1). Cash and cash equivalents amounted to EUR 85.0 million (49.3) at the end of the year.

## **Full-year 2018 in brief**

#### **Revenues**

For the full year of 2018, revenues amounted to EUR 245.4 million (178.4), corresponding to an increase of 38 percent compared with 2017. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

#### **Expenses**

Operating expenses amounted to EUR 155.9 million (111.5). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios. The strong expansion has also increased other operating expenses compared with the previous year.

#### **Profitability**

Operating profit amounted to EUR 89.5 million (66.9) with an operating margin of 36.5 percent (37.5). The EBITDA margin was 43.9 percent (45.2).

#### **Investments**

Investments in intangible assets amounted to EUR 15.3 million (10.6) for the year. Investments in property, plant and equipment amounted to EUR 17.9 million (10.2). Investments in other financial assets amounted to EUR 1.5 million (1.4).

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 100.0 million (62.5) over the year. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 31.6 million (negative 22.4). Cash flow from financing activities was negative in the amount of EUR 32.6 million (negative 16.9).

## **Market development**

#### **Live Casino market**

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, increased use of mobile devices, the migration of land-based casinos to online environments and market regulations. To a large extent, growth is also driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relationships to the gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which end-users originate, and the share of mobile play, based on the operators' gross gaming revenues (GGR) via Evolution's platform.

*End user data based on generated GGR for the gaming operators via Evolution's platform*

Group	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17
Nordics	9%	9%	9%	9%	9%
United Kingdom	14%	14%	16%	17%	18%
Rest of Europe	51%	49%	50%	52%	53%
Rest of World	26%	28%	25%	22%	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Regulated markets	30%	29%	31%	33%	35%
Mobile	64%	60%	58%	59%	56%

## Other

### Parent Company

The Parent Company is a holding company. Operating revenues for the fourth quarter of 2018 amounted to EUR 1.5 million (2.0) and expenses to EUR 1.4 million (1.7). Operating profit amounted to EUR 0.0 million (0.3). Dividend from group companies amounted to EUR 75.0 million (50.0). Profit for the period amounted to EUR 74.7 million (50.3). The Parent Company's cash and cash equivalents amounted to EUR 0.5 million (1.0) at the end of the period and equity amounted to EUR 275.7 million (232.1). No significant investments were made in intangible or tangible assets.

### Employees

As of 31 December 2018, Evolution had 5,847 employees (4,014), corresponding to 4,319 (3,085) full-time positions. The average number of full-time equivalents for the quarter was 4,005 (2,925).

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2017, which is available on the company's website.

### 2019 Annual General Meeting

The Annual General Meeting will be held on 26 April 2019 at 14:00 CET at Strandvägen 7A in Stockholm, Sweden. Notice to the AGM will be published on 28 March on the company's website and in the Official

Swedish Gazette. The annual report is expected to be published on the company website during the week commencing 25 March 2019.

**Dividend**

The Board of Directors proposes that the Annual General Meeting resolve to transfer EUR 43.2 million (32.4) to shareholders, corresponding to EUR 1.20 per share (0.90) and 52 percent (52) of net profit respectively. Evolution has adopted a dividend policy according to which, 50 percent of the company's consolidated net profit is to be distributed over time, with a certain degree of flexibility in terms of the proportion distributed in dividends.

**Buy-back programme**

The Board of Directors intends to propose to the Annual General Meeting in April 2019 to authorise the Board to repurchase own shares corresponding to a maximum of 10 percent of all outstanding shares during the period up until the 2020 Annual General Meeting.

**Upcoming report dates**

Interim report January-March 2019	25 April 2019
Interim report January-June 2019	19 July 2019
Interim report January-September 2019	24 October 2019
Year-end report 2019	February 2020

**Review**

This year-end report has not been reviewed by the company's auditors.

# EXHIBIT 9


 EGR LIVE CASINO SUPPLIER OF THE YEAR  
 NINE TIME WINNER 2010-2018

 EGR MULTI-CHANNEL SUPPLIER  
 OF THE YEAR 2018

Interim report | January–March 2019 | Evolution Gaming Group AB (publ)

## First quarter of 2019 (Q1 2018)

- Operating revenues increased by 54% to EUR 79.3 million (51.6)
- EBITDA increased by 64% to EUR 35.9 million (22.0), corresponding to a margin of 45.3% (42.6)
- Profit for the period amounted to EUR 28.6 million (16.5)
- Earnings per share amounted to EUR 0.79 (0.46)

## Events during the first quarter of 2019

- Good leverage from investments made in 2018
- Roll-out initiated of several new games including MONOPOLY Live
- Several new customers live – DraftKings (USA), Lotoquebec (Canada), Svenska Spel and ATG (Sweden)

## Summary of the first quarter

Group (EUR thousands)	Jan-Mar 2019	Jan-Mar 2018	Change %	Apr 2018- Mar 2019	Jan-Dec 2018	Change %
Operating revenues	79,297	51,594	54%	273,121	245,418	11%
EBITDA	35,918	21,959	64%	121,639	107,681	13%
EBITDA margin	45.3%	42.6%	-	44.5%	43.9%	-
Operating profit	30,189	17,842	69%	101,830	89,484	14%
Operating margin	38.1%	34.6%	-	37.3%	36.5%	-
Profit for the period	28,576	16,521	73%	95,514	83,460	14%
Profit margin	36.0%	32.0%	-	35.0%	34.0%	-
Earnings per share (EUR)	0.79	0.46	73%	2.66	2.32	14%
Equity per share (EUR)	5.31	4.51	18%	5.31	4.51	18%
OCF per share (EUR)	1.22	0.42	192%	3.58	2.78	29%
Average number of FTEs	4,447	3,094	44%	3,855	3,529	9%

**For more information, please contact:**  
 Jacob Kaplan, CFO  
[ir@evolutiongaming.com](mailto:ir@evolutiongaming.com)

**Visit and follow Evolution:**  
[www.evolutiongaming.com](http://www.evolutiongaming.com)  
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## CEO's comments

Evolution has been off to a strong start in 2019, both in terms of growth and profitability. Revenues in the first quarter amounted to EUR 79.3 million, corresponding to an increase of 54 percent compared to the first quarter of 2018. EBITDA amounted to EUR 35.9 million with a margin of 45.3 percent. With a favourable start to the year and with high confidence in the upcoming product launches, we currently see good conditions to finish in the upper end of the previously communicated range of 44-46 percent EBITDA margin for the 2019 full year.

An important explanation to the development is that we now can leverage from the investments made in 2018. Throughout last year, we expanded studio space as well as customer environments and the number of tables in line with the increasing demand from our customers, and we can now see how all of this pays off. It is our assessment that Live Casino as a product vertical will continue to take market shares in 2019 and why we consequently will continue to invest based on our customers' demands in our studios also going forward. A demand driver is the fact that we are broadening the Live vertical with new products that appeal to completely new end users. In that way we can address a considerably larger part of the total online casino market.

As highlighted already in the year-end report, we showcased 10 new games at ICE in London in February. This equals not only a record-amount of game launches in one single year, but also the addition of entirely new game categories. It is important to note that the new games haven't had any extensive effect on the quarterly growth, as the roll-out has just begun – it will take time before all the games are available for the end users, and it will then take time for end users to discover the games. However, already now we can establish that one of the main attractions – MONOPOLY Live – has been off to a historically strong start both in terms of player counts and gaming revenues. We are immensely proud of this launch, which we believe redefines the essence of Live Casino entertainment. The unique mix of Live Casino and RNG with augmented reality technology provides something completely new in the market. On a similar theme, we will soon launch our unique live game show Deal or No Deal Live. Both these titles prove how we to a larger extent are focusing on more entertainment for the player, and we are well under way to create a whole new product vertical in our game lobby that we refer to as Game Shows. Through this, we expand to a much broader group of end users and consolidate Evolution's position as the leading innovator in the gaming industry. That we have been given the opportunity to work with world-famous brands such as MONOPOLY and Deal or No Deal provides even more power in our efforts.

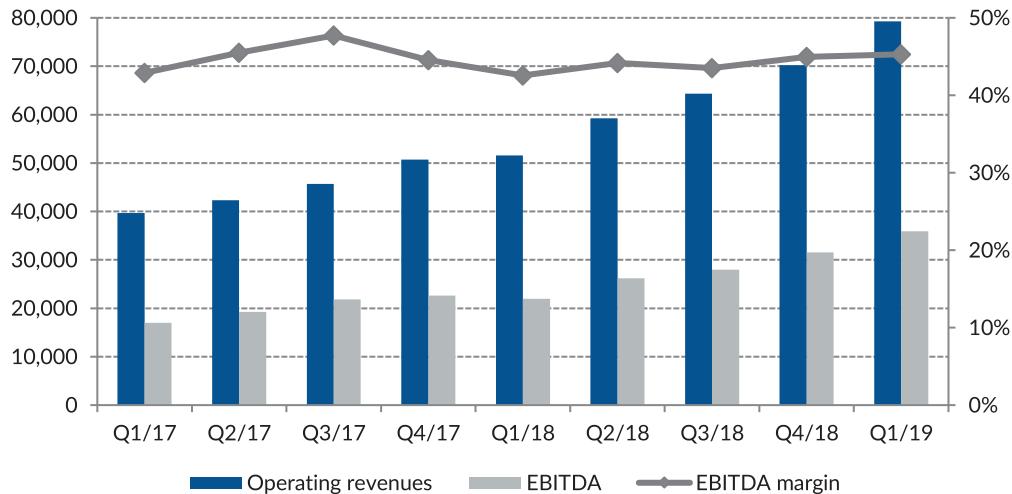
Besides developing brand-new game types, we also continue to innovate our core – the classic table games. This year we look forward to the launches of Free Bet Blackjack, which is the most popular variety of Blackjack at land-based casinos, and our new poker game Side Bet City. We will also expand into dice games with Lightning Dice, building on the success of Lightning Roulette, as well as our take on Sic Bo – Live Super Sic Bo. This means that while we, through the above-mentioned game shows, can reach new end users, we also strengthen our leading offering that appeals to traditional Live players.

The market development in the quarter has been good, not least underpinned by increasing regulation. During the quarter, we went live with customers such as DraftKings in the US, Lotoquebec in Canada, and Svenska Spel and ATG in Sweden. We can establish that the share of Live Casino increases among the operators in more or less every newly regulated or re-regulated market.

With hard and focused work and high energy throughout 2018 and in the first quarter of 2019, we have taken our product portfolio to a whole new level, broadened our own market and created a new market for the industry, which in our perspective makes the gap between ourselves and the competitors wider than ever. Our launch pipeline has never been as strong as it is now. Hence, it is my absolute opinion that we have solid opportunities to further extend the distance to the competitors and strengthen our leading position during the remainder of the year.

**Martin Carlesund, CEO**

Quarterly results trend



## Financial performance in the first quarter of 2019

### Revenues

Revenues amounted to EUR 79.3 million (51.6) in the first quarter, corresponding to an increase of 54% compared with the corresponding period in 2018. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games was generally high over the quarter and the number of bet spots from end users amounted to 5.1 billion (3.1). Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

### Expenses

Operating expenses amounted to EUR 49.1 million (33.8). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios. The strong expansion has also increased other operating expenses compared with preceding quarters.

### Profitability

Operating profit amounted to EUR 30.2 million (17.8), corresponding to an increase of 69 percent. The operating margin was 38.1 percent (34.6). The EBITDA margin was 45.3 percent (42.6). The EBITDA margin has to some extent been affected by the new lease standard IFRS 16, which is reported in note 4.

Net financial items only had a marginal impact on profits and related mostly to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 5.2 percent (7.2). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 28.6 million (16.5). Earnings per share before dilution were EUR 0.79 (0.46).

### Investments

Investments in intangible assets amounted to EUR 20.2 million (2.9) during the quarter and were mainly attributable to goodwill, customer agreements and brand connected to the acquisition of Ezugi.

Investments also comprised development of new games and technical improvements of the platform, such as new functionality, as well as exclusive content rights which were previously reported as financial assets.

Investments in property, plant and equipment amounted to EUR 4.7 million (6.5) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 44.0 million (15.1) during the quarter. Cash flow from investing activities was negative in the amount of EUR 25.0 million (negative 12.1). Cash flow from financing activities was negative in the amount of EUR 0.4 million (negative 0.2). Cash and cash equivalents amounted to EUR 103.7 million (52.1) at the end of the quarter.

## **Market development**

### **Live Casino market**

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, increased use of mobile devices, the migration of land-based casinos to online environments and market regulations. To a large extent, growth is also driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relationships to the gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which end-users originate, and the share of mobile play, based on the operators' gross gaming revenues (GGR) via Evolution's platform.

*End user data based on generated GGR for the gaming operators via Evolution's platform*

Group	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18
Nordics	9%	9%	9%	9%	9%
United Kingdom	13%	14%	14%	16%	17%
Rest of Europe	49%	51%	49%	50%	52%
Rest of World	29%	26%	28%	25%	22%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Regulated markets	34%	30%	29%	31%	33%
Mobile	68%	64%	60%	58%	59%

## **Other**

### **Parent Company**

The Parent Company is a holding company. Operating revenues for the first quarter of 2019 amounted to EUR 1.4 million (1.6) and expenses to EUR 1.4 million (1.5). Operating profit amounted to EUR 0.1 million (0.1). Profit for the period amounted to EUR 0 million (0.1). The Parent Company's cash and cash equivalents amounted to EUR 0.3 million (0.9) at the end of the period and equity amounted to EUR 275.5 million (232.2). No significant investments were made in intangible or tangible assets.

### Employees

As of 31 March 2019, Evolution had 6,497 employees (4,496), corresponding to 4,671 (3,243) full-time positions. The average number of full-time equivalents for the quarter was 4,447 (3,094).

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2018, which is available on the company's website.

### 2019 Annual General Meeting

The Annual General Meeting will be held on 26 April 2019 at 14:00 CET at Strandvägen 7A in Stockholm, Sweden.

### Proposal on dividend, buy-back programme and share split

The Board of Directors proposes that the Annual General Meeting resolve to transfer EUR 43.2 million (32.4) to shareholders, corresponding to EUR 1.20 per share (0.90) and 52 percent (52) of net profit respectively. Evolution has adopted a dividend policy according to which, 50 percent of the company's consolidated net profit is to be distributed over time, with a certain degree of flexibility in terms of the proportion distributed in dividends.

The Board of Directors has also proposed to the Annual General Meeting in April 2019 to authorise the Board to repurchase own shares corresponding to a maximum of 10 percent of all outstanding shares during the period up until the 2020 Annual General Meeting.

With the purpose to facilitate the trade in the company's shares at Nasdaq Stockholm, the Board of Directors has moreover proposed that the Annual General Meeting resolves on a division of the company's shares (share split). If the Annual General Meeting accepts the proposal, each existing share in the company will be divided into five shares (5:1). After the share split is completed, the number of shares in the company will increase from 35,970,377 shares to 179,851,885 shares. The proposed share split will result in a change of the quota value of the share from EUR 0.015 to EUR 0.003. The Board of Directors will determine the record day for the share split.

### Upcoming report dates

Interim report January-June 2019	19 July 2019
Interim report January-September 2019	24 October 2019
Year-end report 2019	February 2020

### Review

This interim report has not been reviewed by the company's auditors.

# **EXHIBIT 10**


**Interim report | January–June 2019 | Evolution Gaming Group AB (publ)**
**Second quarter of 2019 (Q2 2018)**

- Operating revenues increased by 45% to EUR 85.7 million (59.3)
- EBITDA increased by 63% to EUR 42.7 million (26.2), corresponding to a margin of 49.8% (44.2)
- Profit for the period amounted to EUR 34.5 million (20.1)
- Earnings per share amounted to EUR 0.19 (0.11)

**January–June 2019 (1H 2018)**

- Operating revenues increased by 49% to EUR 165.0 million (110.8)
- EBITDA increased by 63% to EUR 78.6 million (48.1), corresponding to a margin of 47.7% (43.4)
- Profit for the period amounted to EUR 63.1 million (36.7)
- Earnings per share amounted to EUR 0.35 (0.20)

**Events during the second quarter of 2019**

- Positive reception for new games
- Live Casino Supplier of the Year for the tenth consecutive year
- Margin development supported by high efficiency in all studios – full-year EBITDA margin expected to be in the range of 47-49 percent

**Summary of the second quarter and first six months of 2019**

Group (EUR thousands)	Apr-Jun 2019	Apr-Jun 2018	%	Jan-Jun 2019	Jan-Jun 2018	%	Jul 2018- Jun 2019	Jan-Dec 2018	%
Operating revenues	85,728	59,252	45%	165,025	110,846	49%	299,597	245,418	22%
EBITDA	42,730	26,168	63%	78,648	48,121	63%	138,208	107,681	28%
EBITDA margin	49.8%	44.2%	-	47.7%	43.4%	-	46.1%	43.9%	-
Operating profit	36,614	21,688	69%	66,803	39,525	69%	116,762	89,484	30%
Operating margin	42.7%	36.6%	-	40.5%	35.7%	-	39.0%	36.5%	-
Profit for the period	34,529	20,076	72%	63,105	36,683	72%	109,882	83,460	32%
Profit margin	40.3%	33.9%	-	38.2%	33.1%	-	36.7%	34.0%	-
Earnings per share (EUR)	0.19	0.11	72%	0.35	0.20	72%	0.61	0.46	32%
Equity per share (EUR)	1.01	0.64	59%	1.01	0.64	59%	1.01	0.90	12%
OCF per share (EUR)	0.20	0.14	36%	0.44	0.23	94%	0.77	0.56	38%
Average number of FTEs	4,845	3,425	41%	4,656	3,343	39%	4,263	3,529	21%

**For more information, please contact:**  
 Jacob Kaplan, CFO  
[ir@evolutiongaming.com](mailto:ir@evolutiongaming.com)

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[www.twitter.com/IREvoLiveCasino](http://www.twitter.com/IREvoLiveCasino)

## CEO's comments

Evolution's strong development continues, and we can report continued high growth and further improved margin in the second quarter. 2019 is a year of product and innovation, and during the period, we have launched all this year's new games. The response has been instant, and we are overwhelmed by the positive reception among both players and operators. Our aim in the development has been to create games that attract new player types and to expand the Live vertical into new segments, and so far, we are very happy with the outcome. All games, from the new titles within the Game Show category to the dice games, find their audiences and we see a significant increase in the number of players. The new games are not as staff intensive as the traditional table games, which in combination with a generally high efficiency in all studios contribute to the margin development. The extended portfolio also contributes to the revenue growth, but it is important to note that most of our revenues continue to derive from our core games and that the new games are still in an early stage post-launch. However, all new titles contribute to a generally higher interest in Live Casino and we believe that the Live vertical will continue to grow its share of the total online casino market. When the Live vertical grows, we take market shares – as do our customers with access to the new games.

Revenues amounted to EUR 85.7 million, which is 45 percent higher than the corresponding quarter last year. EBITDA amounted to EUR 42.7 million with a margin of 49.8 percent, which is the highest margin recorded so far in a single quarter. In the first half of the year, the margin was 47.7 percent, and we expect to be able to sustain this level in the second half as well which is why we increase our expected margin range to 47-49 percent for the 2019 full year.

The positive market development continues. The Nordics are growing, however at a somewhat slower pace as the Swedish market now is normalising following the intense start to the year as a result of the new gaming legislation. The UK continues to stabilise and is growing compared to the corresponding quarter last year. Both Rest of Europe and Rest of World also exhibit favourable growth.

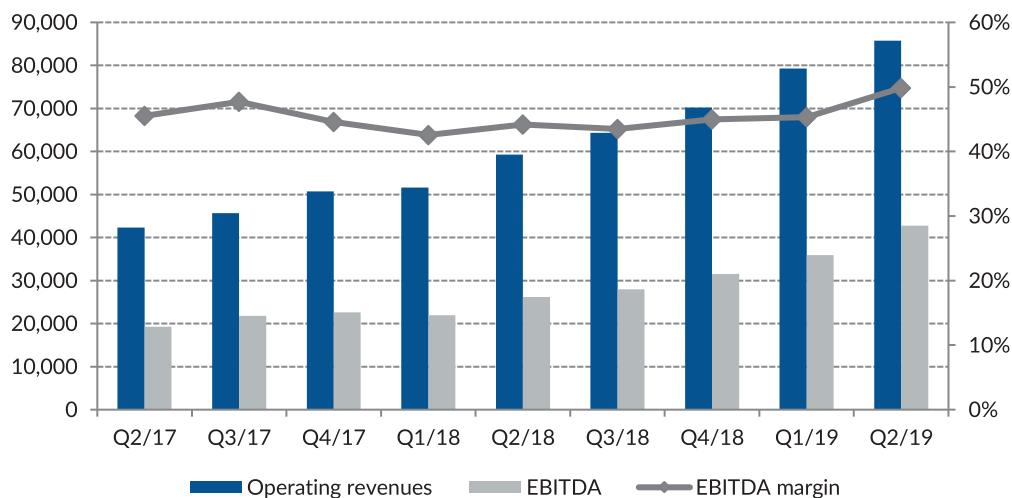
Going forward, we will continue to invest in the development of both additional game shows and other innovative product types, as well as table games to meet the overall demand for Live. We also continue to invest in our studios. During the quarter, we have transferred the first tables to the new Malta studio, while also expanding the studio in Georgia. In addition, we have initiated a doubling of the capacity in New Jersey. We will also strengthen our presence in the US further and have started the planning for the construction of a studio in Pennsylvania. All in all, investments for the 2019 full year in absolute numbers will be somewhat higher than in 2018. It is imperative for us to meet the demand for Live, to continue to enable innovation within the company and to constantly increase the gap to competition. Connected to this, it is important to remember that in a case where we must prioritise, we will always put growth before margins.

During the first half of the year, we have laid the foundation for Evolution's continued leadership in Live Casino. A proof of this was when we received the award as Live Casino Supplier of the Year for the tenth consecutive year at the EGR B2B Awards in June. The award goes straight to all our employees. I am immensely proud of everyone's achievements so far this year, and the innovation power they possess creates confidence for the future.

Since Evolution's inception, we have had a paranoid approach to our development, and given all achievements so far in 2019 I would like to conclude these comments by pointing out that we are never fully satisfied, we never sit back and each day, we fight to become a little bit better.

**Martin Carlesund, CEO**

*Quarterly results trend*



## Financial performance in the second quarter of 2019

### Revenues

Revenues amounted to EUR 85.7 million (59.3) in the second quarter, corresponding to an increase of 45 percent compared with the corresponding period in 2018. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of several successful game launches, and the number of bet spots from end users amounted to 5.6 billion (3.6). Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

### Expenses

Operating expenses amounted to EUR 49.1 million (37.6). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios. The expansion has also increased other operating expenses compared with preceding quarters.

### Profitability

Operating profit amounted to EUR 36.6 million (21.7), corresponding to an increase of 69 percent. The operating margin was 42.7 percent (36.6). The EBITDA margin was 49.8 percent (44.2). The EBITDA margin has to some extent been affected by the new lease standard IFRS 16, which is reported in note 4.

Net financial items only had a marginal impact on profits and related mostly to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 5.6 percent (7.2). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 34.5 million (20.1). Earnings per share before dilution were EUR 0.19 (0.11).

### Investments

Investments in intangible assets amounted to EUR 2.0 million (2.7) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 3.9 million (5.5) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 35.4 million (25.9) during the quarter. Cash flow from investing activities was negative in the amount of EUR 6.0 million (negative 8.5). Cash flow from financing activities was negative in the amount of EUR 44.2 million (negative 32.4) and included dividend to shareholders of EUR 43.2 million (32.1). Cash and cash equivalents amounted to EUR 88.7 million (37.2) at the end of the quarter.

## **First half of 2019 in brief**

#### **Revenues**

For the January-June 2019 period, revenues amounted to EUR 165.0 million (110.8), corresponding to an increase of 49 percent compared with the same period in 2018. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

#### **Expenses**

Operating expenses amounted to EUR 98.2 million (71.3). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios. The strong expansion has also increased other operating expenses compared with the previous year.

#### **Profitability**

Operating profit amounted to EUR 66.8 million (39.5) with an operating margin of 40.5 percent (35.7). The EBITDA margin was 47.7 percent (43.4).

#### **Investments**

Investments in intangible assets amounted to EUR 22.2 million (5.6) for the period. Investments in property, plant and equipment amounted to EUR 7.9 million (12.0). Investments in other financial assets amounted to EUR 0.1 million (3.0).

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 79.4 million (41.0) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 30.2 million (negative 20.6). Cash flow from financing activities was negative in the amount of EUR 45.3 million (negative 32.6).

## **Market development**

#### **Live Casino market**

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, increased use of mobile devices, the migration of land-based casinos to online environments and market regulations. To a large extent, growth is also driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relationships to the gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which end-users originate, and the share of mobile play, based on the operators' gross gaming revenues (GGR) via Evolution's platform.

*End user data based on generated GGR for the gaming operators via Evolution's platform*

Group	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18
Nordics	8%	9%	9%	9%	9%
United Kingdom	13%	13%	14%	14%	16%
Rest of Europe	49%	49%	51%	49%	50%
Rest of World	30%	29%	26%	28%	25%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Regulated markets	35%	34%	30%	29%	31%
Mobile	70%	68%	64%	60%	58%

## Other

### Parent Company

The Parent Company is a holding company. Operating revenues for the second quarter of 2019 amounted to EUR 1.6 million (1.4) and expenses to EUR 1.5 million (1.5). Operating profit amounted to EUR 0.1 million (negative 0.1). Result for the period was negative in the amount of EUR 0.2 million (negative 0.1). The Parent Company's cash and cash equivalents amounted to EUR 1.8 million (1.0) at the end of the period and equity amounted to EUR 232.1 million (200.0). No significant investments were made in intangible or tangible assets.

### Employees

As of 30 June 2019, Evolution had 6,892 employees (4,856), corresponding to 5,120 (3,600) full-time positions. The average number of full-time equivalents for the quarter was 4,845 (3,425).

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2018, which is available on the company's website.

### Share split

With the purpose to facilitate the trade in the company's shares at Nasdaq Stockholm, a division of the company's shares (share split) was carried out in the second quarter of 2019. Each existing share in Evolution has been divided into five shares (5:1). Hence, the number of shares in the company has

increased from 35,970,377 shares to 179,851,885 shares, and the quota value of the share has changed from EUR 0.015 to EUR 0.003.

**Upcoming report dates**

Interim report January-September 2019 24 October 2019

Year-end report 2019 February 2020

**Review**

This interim report has not been reviewed by the company's auditors.

# **EXHIBIT 11**


**Interim report | January–September 2019 | Evolution Gaming Group AB (publ)**
**Third quarter of 2019 (Q3 2018)**

- Operating revenues increased by 47% to EUR 94.7 million (64.3)
- EBITDA increased by 73% to EUR 48.5 million (28.0), corresponding to a margin of 51.2% (43.5)
- Profit for the period amounted to EUR 39.8 million (21.2)
- Earnings per share amounted to EUR 0.22 (0.12)

**January-September 2019 (9M 2018)**

- Operating revenues increased by 48% to EUR 259.8 million (175.2)
- EBITDA increased by 67% to EUR 127.1 million (76.1), corresponding to a margin of 48.9% (43.4)
- Profit for the period amounted to EUR 102.9 million (57.9)
- Earnings per share amounted to EUR 0.57 (0.32)

**Events during the third quarter of 2019**

- Positive effects from investments in games and studio capacity
- All geographic markets contribute to the high growth
- Pennsylvania Gaming Control Board license received

**Summary of the third quarter and first nine months of 2019**

Group (EUR thousands)	Jul-Sep 2019	Jul-Sep 2018	%	Jan-Sep 2019	Jan-Sep 2018	%	Oct 2018- Sep 2019	Jan-Dec 2018	%
Operating revenues	94,729	64,346	47%	259,754	175,192	48%	329,980	245,418	34%
EBITDA	48,470	27,992	73%	127,118	76,113	67%	158,686	107,681	47%
EBITDA margin	51.2%	43.5%	-	48.9%	43.4%	-	48.1%	43.9%	-
Operating profit	41,995	23,225	81%	108,798	62,750	73%	135,532	89,484	51%
Operating margin	44.3%	36.1%	-	41.9%	35.8%	-	41.1%	36.5%	-
Profit for the period	39,775	21,242	87%	102,880	57,925	78%	128,415	83,460	54%
Profit margin	42.0%	33.0%	-	39.6%	33.1%	-	38.9%	34.0%	-
Earnings per share (EUR)	0.22	0.12	85%	0.57	0.32	77%	0.71	0.46	53%
Equity per share (EUR)	1.29	0.76	70%	1.29	0.76	70%	1.29	0.90	43%
OCF per share (EUR)	0.28	0.18	56%	0.67	0.41	66%	0.82	0.56	48%
Average number of FTEs	5,104	3,692	38%	4,679	3,383	38%	4,500	3,529	28%

**For more information, please contact:**  
 Jacob Kaplan, CFO  
[ir@evolutiongaming.com](mailto:ir@evolutiongaming.com)

**Visit and follow Evolution:**  
[www.evolutiongaming.com](http://www.evolutiongaming.com)  
[www.twitter.com/IREvoLiveCasino](http://www.twitter.com/IREvoLiveCasino)

## CEO's comments

I am very satisfied to report consistently strong results for the third quarter. Our investments in new games and studios are having an increasingly strong impact, which is reflected in both the high growth as well as stronger margins. We have also seen a further increased demand for Evolution's products globally. In addition, we now see clearly that we are reaching completely new player types, who to a large extent are playing Live games for the first time. These new players are being converted from other game categories, such as slots, which is very encouraging to see. Through our expansion and construction of studio capacity, together with the 10 new games launched during the first half of 2019, we are also favourably positioned to take advantage of the growing general demand for Live.

Revenues in the third quarter amounted to EUR 94.7 million, an increase of 47 percent compared to last year. EBITDA amounted to EUR 48.5 million, with a margin of 51.2 percent. For the nine-month period, the EBITDA margin was 48.9 percent. Based on this outcome, we will end up slightly above the previously communicated margin range of 47-49 percent for the 2019 full year.

Evolution's products experience high demand all over the world, which can be seen in our growth which is truly global. To increase the understanding of our geographical reach, starting in this report we will break down our revenues per region. We are growing together with our customers in all regions, with the highest growth in Asia and North America. We expect this development to continue and it reflects the operators' focus on new growth markets. In some regulated markets in Europe, online casino has entered a more mature phase, but Live Casino as a vertical continues to grow its share of the total market.

As previously communicated, we continue to invest in additional studio capacity to meet the total demand for Live. Our all-new studio in Malta is now operational, and we are also continuing to expand our existing studios in both Georgia and New Jersey. In Georgia, we have now doubled the capacity since the launch of the studio in April 2018. By the end of the year, we will also have doubled the capacity in New Jersey in order to add more games from our portfolio and to allow additional space for dedicated customer environments. Currently, we offer 9 out of 21 game titles from our portfolio to operators in the state.

During the quarter, we received an Interactive Gaming Manufacturer licence from the Pennsylvania Gaming Control Board, which is a prerequisite to be able to offer our services in Pennsylvania. Based on our experience in New Jersey, we see great opportunities to attract both online operators and land-based casinos with our offering. Planning for the studio is in full swing with launch during 2020.

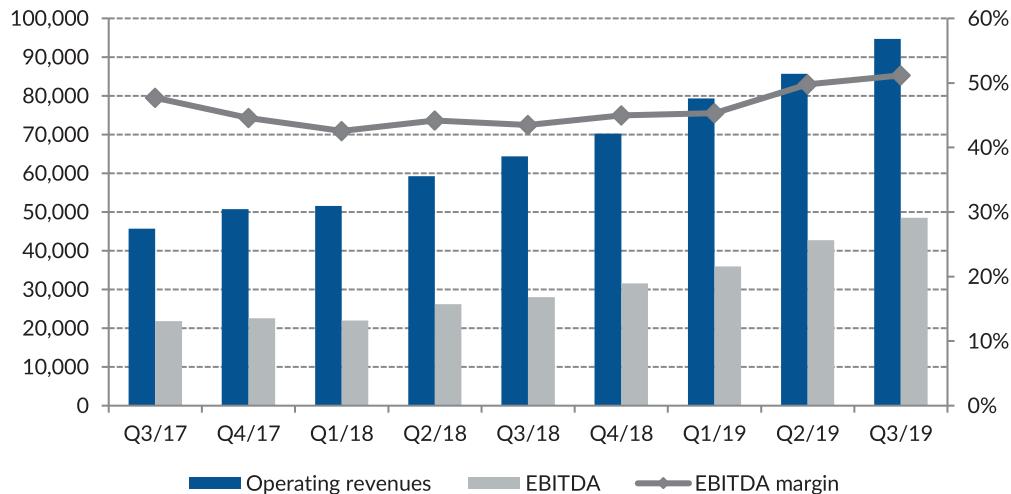
After the end of the quarter we have signed an agreement with Flutter Entertainment and its successful brands Paddy Power and Betfair. The deal is the result of a dialogue that has been going on for many years, and which has been intensified thanks to our latest innovations. We look forward to developing this partnership over time.

For us, 2019 has been a year of products and innovation. We have further strengthened our development capabilities and going forward, we will keep up the pace in the development of new games. Behind the scenes, the work to develop our core games while also expanding the Live vertical with new innovations is always ongoing. When we publish the 2019 year-end report in February, ICE 2020 will have just ended. As in previous years, our ambition is to pave the way for the entire industry by launching new ground-breaking products.

The absolute core of Evolution is built on innovation with a focus to meet the demand for Live and to constantly increase the gap to the competition. I have a confident view of what the future will bring.

**Martin Carlesund, CEO**

*Quarterly results trend*



## Financial performance in the third quarter of 2019

### Revenues

Revenues amounted to EUR 94.7 million (64.3) in the third quarter, equivalent to an increase of 47 percent compared with the corresponding period in 2018. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of several successful game launches earlier in 2019, and the number of bet spots from end users amounted to 5.8 billion (3.9). Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

### Expenses

Operating expenses amounted to EUR 52.7 million (41.1). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios. The expansion has also increased other operating expenses compared with preceding quarters.

### Profitability

Operating profit amounted to EUR 42.0 million (23.2), corresponding to an increase of 81 percent. The operating margin was 44.3 percent (36.1). The EBITDA margin was 51.2 percent (43.5). The EBITDA margin has to some extent been affected by the new lease standard IFRS 16, which is reported in note 4.

Net financial items only had a marginal impact on profits and related mostly to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 5.1 percent (8.4). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 39.8 million (21.2). Earnings per share before dilution were EUR 0.22 (0.12).

### Investments

Investments in intangible assets amounted to EUR 4.1 million (3.1) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 5.1 million (2.7) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 50.7 million (32.2) during the quarter. Cash flow from investing activities was negative in the amount of EUR 9.2 million (negative 6.3). Cash flow from financing activities amounted to EUR 10.6 million (0.6). Cash and cash equivalents amounted to EUR 141.1 million (63.5) at the end of the quarter.

## **First nine months of 2019 in brief**

#### **Revenues**

For the January-September 2019 period, revenues amounted to EUR 259.8 million (175.2), corresponding to an increase of 48 percent compared with the same period in 2018. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

#### **Expenses**

Operating expenses amounted to EUR 151.0 million (112.4). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios. The strong expansion has also increased other operating expenses compared with the previous year.

#### **Profitability**

Operating profit amounted to EUR 108.8 million (62.8) with an operating margin of 41.9 percent (35.8). The EBITDA margin was 48.9 percent (43.4).

#### **Investments**

Investments in intangible assets amounted to EUR 8.4 million (8.7) for the period. Investments in property, plant and equipment amounted to EUR 12.0 million (14.7). Acquisitions of subsidiary amounted to EUR 10.5 (-). Investments in other financial assets amounted to EUR 0.1 million (3.4).

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 121.5 million (73.2) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 31.0 million (negative 26.8). Cash flow from financing activities was negative in the amount of EUR 34.6 million (negative 32.0).

## **Market development**

#### **Live Casino market**

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the third quarter 74 percent (60) of the operators' GGR via Evolution's platform was generated by mobile devices. To a large extent, growth is also driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relationships to the gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on GGR are allocated by end-user locations, while revenues not related to GGR are allocated by operator locations. The UK includes the Crown dependencies.

*Revenue per geographical region*

Group (EUR millions)	Jul-Sep 2019	Jul-Sep 2018	%
Nordics	6.1	4.7	30%
UK	12.7	11.4	12%
Rest Of Europe	46.5	32.7	42%
Asia	13.9	6.5	115%
North America	6.1	2.9	107%
Other	9.3	6.1	54%
<b>Total operating revenues</b>	<b>94.7</b>	<b>64.3</b>	<b>47%</b>
Share of regulated markets	42%	46%	-

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the third quarter of 2019 amounted to EUR 1.8 million (1.7) and expenses to EUR 1.8 million (1.5). Operating loss amounted to EUR 0.1 million (profit 0.2). Result for the period was negative in the amount of EUR 0.3 million (profit 0.1). The Parent Company's cash and cash equivalents amounted to EUR 1.0 million (0.4) at the end of the period and equity amounted to EUR 243.5 million (200.9). No significant investments were made in intangible or tangible assets.

### Employees

As of 30 September 2019, Evolution had 7,342 employees (5,257), corresponding to 5,273 (3,970) full-time positions. The average number of full-time equivalents for the quarter was 5,104 (3,692).

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2018, which is available on the company's website.

### 2020 Annual General Meeting

The Annual General Meeting will be held in Stockholm, Sweden on 24 April 2020.

**Upcoming report dates**

Year-end report 2019	12 February 2020
Interim report January-March 2020	23 April 2020
Interim report January-June 2020	17 July 2020
Interim report January-September 2020	22 October 2020

# **EXHIBIT 12**


**Year-end report | January–December 2019 | Evolution Gaming Group AB (publ)**
**Fourth quarter of 2019 (Q4 2018)**

- Operating revenues increased by 51% to EUR 106.0 million (70.2)
- EBITDA increased by 77% to EUR 55.8 million (31.6), corresponding to a margin of 52.7% (45.0)
- Profit for the period amounted to EUR 46.8 million (25.5)
- Earnings per share before dilution amounted to EUR 0.26 (0.14)

**Full-year 2019 (2018)**

- Operating revenues increased by 49% to EUR 365.8 million (245.4)
- EBITDA increased by 70% to EUR 182.9 million (107.7), corresponding to a margin of 50.0% (43.9)
- Profit for the period amounted to EUR 149.7 million (83.5)
- Earnings per share before dilution amounted to EUR 0.83 (0.46)
- The Board proposes a dividend of EUR 0.42 per share (0.24)

**Events during the fourth quarter of 2019**

- Good leverage from investments made in 2019 has contributed to a continued high growth
- Several new customers signed – Flutter Entertainment with brands Paddy Power and Betfair, Parx Casino and Penn National Gaming
- Continued expansion in North America

**Summary of the fourth quarter and full-year 2019**

Group (EUR thousands)	Oct-Dec 2019	Oct-Dec 2018	%	Jan-Dec 2019	Jan-Dec 2018	%
Operating revenues	105,998	70,226	51%	365,752	245,418	49%
EBITDA	55,830	31,568	77%	182,948	107,681	70%
EBITDA margin	52.7%	45.0%	-	50.0%	43.9%	-
Operating profit	48,674	26,734	82%	157,472	89,484	76%
Operating margin	45.9%	38.1%	-	43.1%	36.5%	-
Profit for the period	46,846	25,535	83%	149,726	83,460	79%
Profit margin	44.2%	36.4%	-	40.9%	34.0%	-
Earnings per share before dilution (EUR)	0.26	0.14	82%	0.83	0.46	79%
Equity per share (EUR)	1.55	0.90	71%	1.55	0.90	71%
OCF per share before dilution (EUR)	0.30	0.15	102%	0.97	0.56	75%
Average number of FTEs	5,419	4,005	35%	4,894	3,529	39%

**For more information, please contact:**  
 Jacob Kaplan, CFO  
 ir@evolutiongaming.com

**Visit and follow Evolution:**  
[www.evolutiongaming.com](http://www.evolutiongaming.com)  
[www.twitter.com/IREvoLiveCasino](http://www.twitter.com/IREvoLiveCasino)

## CEO's comments

I am very satisfied to be able to present yet another strong quarter which summarises a successful 2019 for Evolution. The products we launched during the year - including new titles in the Game Show category - in combination with a continued strong market development and global demand, have contributed to a very high growth rate. Furthermore, we also experienced strong results from the investments in increased studio capacity we have made in recent years. Those factors, in combination with a constant pursuit of cost efficiency, has had a positive effect on our margin.

This year's result trend has continued in the fourth quarter. Revenue in the fourth quarter amounted to EUR 106.0 million, an increase of 51 percent compared with the corresponding period last year. EBITDA amounted to EUR 55.8 million corresponding to a margin of 52.7 percent. The EBITDA margin for the full year reached 50 percent, the highest full-year margin in the company's history and slightly surpassed our expectations from this summer which was 47-49 percent. For 2020, we expect to be able to maintain or slightly improve the margin level compared to 2019.

At the end of the fourth quarter, Evolution had more than 700 tables serving over 200 customers. During the quarter, we further strengthened our customer portfolio, including an agreement with Flutter Entertainment and its brands Paddy Power and Betfair. Our presence in the United States was also strengthened in the quarter through agreements with new operators in Pennsylvania and the process to build a studio in Pennsylvania is ongoing.

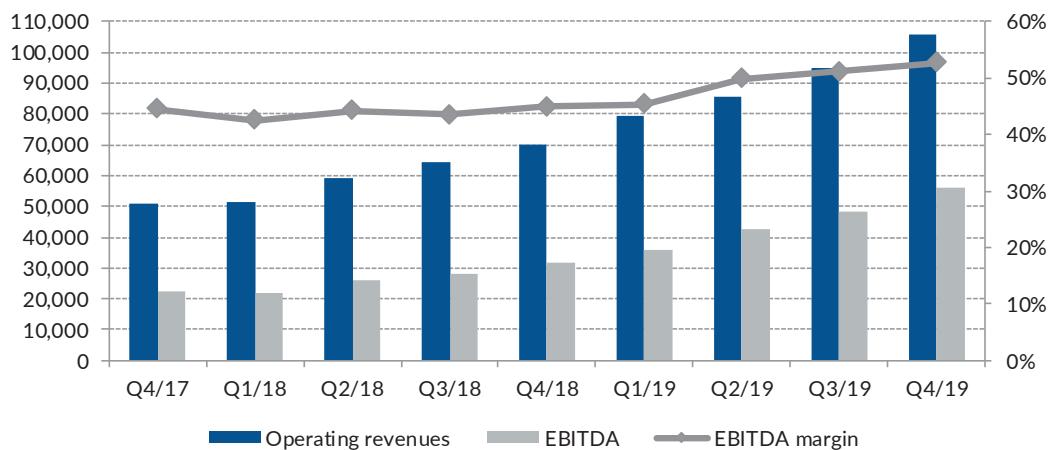
We see good opportunities for continued positive development in the US. In the quarter we have made additional investments in the studio in New Jersey to expand its capacity, our game portfolio and to meet the demand. It is also positive to note that during the quarter Michigan has taken important steps toward becoming a regulated casino market.

When you are reading this, we have recently finished this year's edition of ICE London Gaming Fair - where we showcased 12 fantastic new titles. With ground-breaking games like 'Crazy Time' and 'Mega Ball', we will continue to expand the Game Show category and aim to attract new player groups to Live. Examples of innovations on show in table games are Instant Roulette, Power Blackjack and Speed Blackjack. The dice game Craps, an important strategic release primarily for the US market, will also be interesting to follow. These are some examples of how we through innovative product launches continue to drive the entire industry forward and confirms our position as the leading innovator in the gaming industry. I am convinced that the new game titles will be received well by both players and operators and contribute to further growth in 2020.

To summarise, I am proud of what we have achieved in 2019, which has been an outstanding year from both a financial and operational perspective. I am very impressed with what our employees achieve every day - we are now approximately 8,000 employees working together with our eternal mission; to increase the gap to the competitors by offering the market's best solutions. 2020 has started well and I look forward to another exciting year!

**Martin Carlesund, CEO**

*Quarterly results trend*



## Financial performance in the fourth quarter of 2019

### Revenues

Revenues amounted to EUR 106.0 million (70.2) in the fourth quarter, equivalent to an increase of 51 percent compared with the corresponding period in 2018. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of several successful game launches earlier in 2019, and the number of bet spots from end users amounted to 7.1 billion (4.4). Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

### Expenses

Operating expenses amounted to EUR 57.3 million (43.5). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios. The expansion has also increased other operating expenses compared with preceding quarters.

### Profitability

Operating profit amounted to EUR 48.7 million (26.7), corresponding to an increase of 82 percent. The operating margin was 45.9 percent (38.1). The EBITDA margin was 52.7 percent (45.0). The EBITDA margin has to some extent been affected by the new lease standard IFRS 16, which is reported in note 4.

Net financial items only had a marginal impact on profits and related mostly to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 3.7 percent (4.4). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 46.8 million (25.5). Earnings per share before dilution were EUR 0.26 (0.14).

### Investments

Investments in intangible assets amounted to EUR 2.7 million (6.6) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 6.9 million (3.1) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 54.3 million (26.6) during the quarter. Cash flow from investing activities was negative in the amount of EUR 11.5 million (negative 4.8). Cash flow from financing activities was negative in the amount of EUR 1.4 million (negative 0.4). Cash and cash equivalents amounted to EUR 182.5 million (85.0) at the end of the quarter.

## **Full-year 2019 in brief**

#### **Revenues**

For the full year of 2019, revenues amounted to EUR 365.8 million (245.4), corresponding to an increase of 49 percent compared with the same period in 2018. The positive revenue development mainly derives from increased commission income from both new and existing customers. Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

#### **Expenses**

Operating expenses amounted to EUR 208.3 million (155.9). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios. The strong expansion has also increased other operating expenses compared with the previous year.

#### **Profitability**

Operating profit amounted to EUR 157.5 million (89.5) with an operating margin of 43.1 percent (36.5). The EBITDA margin was 50.0 percent (43.9).

#### **Investments**

Investments in intangible assets amounted to EUR 11.2 million (15.3) for the year. Investments in property, plant and equipment amounted to EUR 19.0 million (17.9). Acquisitions of subsidiaries amounted to EUR 11.8 (-). Investments in other financial assets amounted to EUR 0.6 million (negative 1.5).

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 175.8 million (100.0) over the year. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 42.5 million (negative 31.7). Cash flow from financing activities was negative in the amount of EUR 36.1 million (negative 32.6).

## **Market development**

#### **Live Casino market**

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the fourth quarter 69 percent (64) of the operators' GGR via Evolution's platform was generated by mobile devices. To a large extent, growth is also driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

*Revenue per geographical region*

Group (EUR millions)	Oct-Dec 2018	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019
Nordics	4.9	6.1	6.0	6.1	6.1
UK	11.5	12.4	12.7	12.8	12.0
Rest of Europe	36.7	40.7	43.8	46.5	53.3
Asia	6.5	8.0	10.0	13.9	17.7
North America	3.2	4.6	4.7	6.1	6.6
Other	7.4	7.5	8.5	9.3	10.2
<b>Total operating revenues</b>	<b>70.2</b>	<b>79.3</b>	<b>85.7</b>	<b>94.7</b>	<b>106.0</b>
Share of regulated markets	45%	46%	44%	42%	40%
Revenues, regulated markets	31.7	36.6	37.5	40.2	42.4

**Customer dependency**

Although a majority of Evolution's largest customers have strengthened their focus on Live Casino in recent years, the company has managed to decrease its dependency towards its largest customers through add-on sales to other existing customers and new sales. Evolution's largest customer accounted for approximately 6 (7) percent of revenues in 2019, and the five largest customers accounted for roughly 27 (32) percent of revenues.

*Customer dependency (% of revenue)*

	2017	2018	2019
Top 1-5	38%	32%	27%

## Other

**Parent Company**

The Parent Company is a holding company. Net sales for the fourth quarter of 2019 amounted to EUR 2.3 million (1.5) and expenses to EUR 2.0 million (1.4). Operating profit amounted to EUR 0.3 million (0.0). Result for the period amounted to EUR 100.1 million (74.7). The Parent Company's cash and cash equivalents amounted to EUR 1.1 million (0.5) at the end of the period and equity amounted to EUR 343.6 million (275.7). No significant investments were made in intangible or tangible assets.

**Employees**

As of 31 December 2019, Evolution had 7,828 employees (5,847), corresponding to 5,554 (4,319) full-time positions. The average number of full-time equivalents for the quarter was 5,419 (4,005).

**Significant risks and uncertainties**

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2018, which is available on the company's website.

### **2020 Annual General Meeting**

The Annual General Meeting will be held on 24 April 2020 in Stockholm, Sweden. Notice to the AGM will be published on 26 March on the company's website and in the Official Swedish Gazette. The annual report is expected to be published on the company website during the week commencing 23 March 2019.

### **Dividend**

The Board of Directors proposes that the Annual General Meeting resolve to transfer EUR 76.3 million (43.2) to shareholders, corresponding to EUR 0.42 per share (0.24) and 51 percent (52) of net profit respectively. Evolution has adopted a dividend policy according to which, 50 percent of the company's consolidated net profit is to be distributed over time, with a certain degree of flexibility in terms of the proportion distributed in dividends.

### **Upcoming report dates**

Interim report January-March 2020	23 April 2020
Interim report January-June 2020	17 July 2020
Interim report January-September 2020	22 October 2020
Year-end report 2020	February 2021

### **Review**

This year-end report has not been reviewed by the company's auditors.

# EXHIBIT 13


**Interim report | January–March 2020 | Evolution Gaming Group AB (publ)**

## First quarter of 2020 (Q1 2019)

- Operating revenues increased by 45% to EUR 115.1 million (79.3)
- EBITDA increased by 79% to EUR 64.1 million (35.9), corresponding to a margin of 55.7% (45.3)
- Profit for the period amounted to EUR 54.2 million (28.6)
- Earnings per share before dilution amounted to EUR 0.30 (0.16)

## Events during the first quarter of 2020

- Continued high demand generates a positive effect on margin development.
- Adaptation of operations as a result of covid-19 to ensure the operation and safety of employees.
- Repurchase of 338,000 shares in order to improve the capital structure by reducing the capital, and thereby creating added shareholder value.

## Summary of the first quarter 2020

Group (EUR thousands)	Jan-Mar 2020	Jan-Mar 2019	%	Apr 2019- Mar 2020	Jan-Dec 2019	%
Operating revenues	115 149	79 297	45%	401 604	365 752	10%
EBITDA	64 123	35 918	79%	211 153	182 948	15%
EBITDA margin	55,7%	45,3%	-	52,6%	50,0%	-
Operating profit	57 125	30 189	89%	184 408	157 472	17%
Operating margin	49,6%	38,1%	-	45,9%	43,1%	-
Profit for the period	54 196	28 576	90%	175 346	149 726	17%
Profit margin	47,1%	36,0%	-	43,7%	40,9%	-
Earnings per share before dilution (EUR)	0,30	0,16	88%	0,97	0,83	17%
Equity per share (EUR)	1,82	1,06	71%	1,82	1,55	17%
OCF per share before dilution (EUR)	0,21	0,20	6%	0,98	0,97	1%
Average number of FTEs	5 739	4 447	29%	5 209	4 894	6%

**For more information, please contact:**  
 Jacob Kaplan, CFO  
[ir@evolutiongaming.com](mailto:ir@evolutiongaming.com)

**Visit and follow Evolution:**  
[www.evolutiongaming.com](http://www.evolutiongaming.com)  
[www.twitter.com/IREvoLiveCasino](http://www.twitter.com/IREvoLiveCasino)

## CEO's comments

The spread of COVID-19 has put the world in an exceptional and challenging situation which has also meant operational trials for Evolution. So far, we have handled the situation in a good way, and financially, Evolution has started 2020 very strongly in terms of both growth and profitability.

Revenues for the first quarter amounted to EUR 115 million, an increase of 45 percent compared to the first quarter of 2019. EBITDA amounted to EUR 64 million with a margin of 55.7 percent. With a good financial start to the year, great confidence ahead of the upcoming product launches and a good momentum at the start of the second quarter, I am more certain of our objective for 2020 to improve the margin level compared to 2019. Together, all employees did a fantastic job during the first quarter. I am deeply grateful for the energy and determination with which we have taken up the challenge - we have step-by-step, methodically moved forward every day. Of course, this work continues as we work to stay ahead of the developing situation.

Our main priorities in dealing with the COVID-19 situation are to minimize the risk of spreading the virus and to create a safe workplace for our employees as well as to maintain the operation for our operators. We continue to comply with all the requirements from the authorities in the countries we operate in, and in many cases we have taken more far-reaching initiatives. Thanks to the extensive measures that have been implemented in terms of social distancing, changed working processes and routines for our employees, our operations have been able to continue without any large negative effects. However, in several of our studios, we operate with fewer tables compared to normal, and our studios in Georgia and Spain have been temporarily closed during limited periods. During these periods, a large share of the traffic has been managed by the company's other studios. To be a global company with sites across multiple territories has been an important factor during these times. With that said, our studios in Latvia and Malta are important hubs from which several of our most popular titles are broadcasted.

We have seen an increased and strong demand for our products all through the first quarter. During the end of the quarter the absence of sporting betting games likely also favoured growth in our products. This circumstance effects also the start of the second quarter and we now see many new players being introduced to the Live segment. All in all, this means that we have a very good start to the year so far, but there will be also continuous challenges as we have not seen the end of the development of COVID-19 yet.

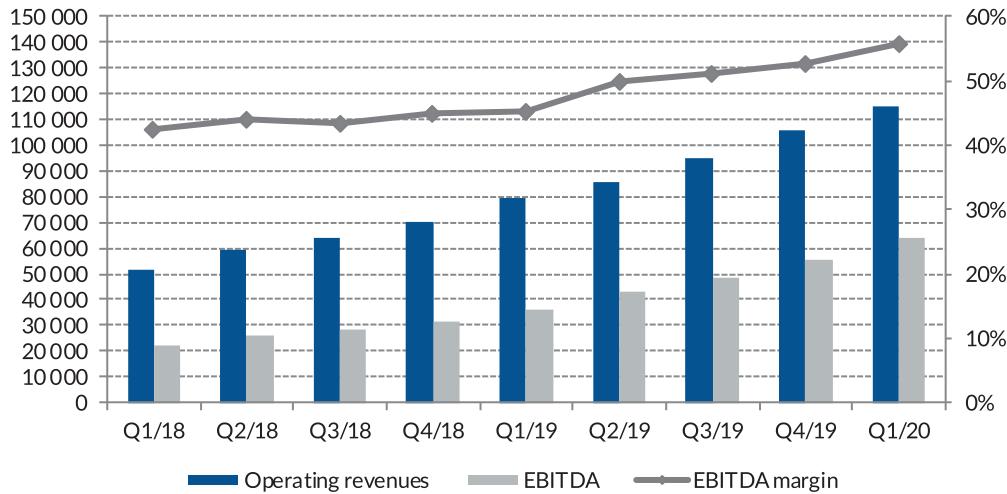
We continue unabated with investments in both studios and new games. During ICE in London earlier this year, 12 new titles were announced, of which two went live during the first quarter; Speed Blackjack and Lightning Baccarat. Today, 23 April, we are launching Mega Ball - including a First Person version. Mega Ball is our first game in the lottery vertical. During its beta phase, the game has exhibited a high attraction and it will be interesting to follow the games development. In addition, we will extend our First Person portfolio with three more launching in the second quarter. Another two table games will also be launched during the quarter, Power Blackjack and Baccarat Multiplay.

The construction of our new studio in Pennsylvania continues but with a postponed timetable due to the COVID-19 situation. However, our aim to launch it before year-end remains. Michigan has accelerated its casino regulation process and we hope that the state soon will be the third regulated market in the US. In South Africa we have received a National Manufacturer license. The license means that Evolution now is able to offer its and the subsidiary Ezugi's products to all licensed gaming operators in South Africa.

To conclude, I am proud of how we have started off the year from a financial perspective, but even prouder of how we have handled these difficult times from an operational standpoint. All employees have showed that they are fast-paced, flexible and that even in hard circumstances they are able to maintain their focus on our given path; to continue to increase the gap to the competition and to strengthen our leading position.

**Martin Carlesund, CEO**

*Quarterly results trend*



## Financial performance in the first quarter of 2020

### Revenues

Revenues amounted to EUR 115.1 million (79.3) in the first quarter, equivalent to an increase of 45 percent compared with the corresponding period in 2019. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of several successful game launches in 2019, and the number of bet spots from end users amounted to 8.7 billion (5.1). Revenues from dedicated tables and environments also contributed to the increase as a result of additional customers launching or extending their customised Live Casino environments.

### Expenses

Operating expenses amounted to EUR 58.0 million (49.1). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios compared to the first quarter of 2019. The expansion has also increased other operating expenses compared with Q1 2019.

### Profitability

Operating profit amounted to EUR 57.1 million (30.2), corresponding to an increase of 89 percent. The operating margin was 49.6 percent (38.1). The EBITDA margin was 55.7 percent (45.3).

Net financial items only had a marginal impact on profits and related mostly to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 5.0 percent (5.2). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 54.2 million (28.6). Earnings per share before dilution were EUR 0.30 (0.16).

### Investments

Investments in intangible assets amounted to EUR 2.7 million (2.3) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 4.7 million (3.1) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 38.1 million (35.6) during the quarter. Cash flow from investing activities was negative in the amount of EUR 8.9 million (negative 15.9). Cash flow from financing activities was negative in the amount of EUR 6.8 million (negative 1.0). Cash and cash equivalents amounted to EUR 204.9 million (103.7) at the end of the quarter.

## **Market development**

#### **Live Casino market**

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the first quarter 69 percent (64) of the operators' GGR via Evolution's platform was generated by mobile devices. To a large extent, growth is also driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

*Revenue per geographical region*

Group (EUR millions)	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020
Nordics	6,1	6,0	6,1	6,1	6,2
UK	12,4	12,7	12,8	12,0	9,9
Rest of Europe	40,7	43,8	46,5	53,3	59,8
Asia	8,0	10,0	13,9	17,7	20,8
North America	4,6	4,7	6,1	6,6	7,1
Other	7,5	8,5	9,3	10,2	11,4
<b>Total operating revenues</b>	<b>79,3</b>	<b>85,7</b>	<b>94,7</b>	<b>106,0</b>	<b>115,1</b>
Share of regulated markets	46%	44%	42%	40%	38%
Revenues, regulated markets	36,6	37,5	40,2	42,4	43,7

## **Other**

#### **Parent Company**

The Parent Company is a holding company. Net sales for the first quarter of 2020 amounted to EUR 2.2 million (1.4) and expenses to EUR 2.1 million (1.4). Operating profit amounted to EUR 60 thousands (58). Result for the period amounted to EUR 30 thousands (-50). The Parent Company's cash and

cash equivalents amounted to EUR 93.9 million (0.3) at the end of the period and equity amounted to EUR 338.3 million (275.5). No significant investments were made in intangible or tangible assets.

#### **Employees**

As of 31 March 2020, Evolution had 8,240 employees (6,497), corresponding to 5,865 (4,671) full-time positions. The average number of full-time equivalents for the quarter was 5,739 (4,447).

#### **Significant risks and uncertainties**

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2019, which is available on the company's website.

#### **Acquisitions of own shares**

During the first quarter the Board of Directors decided to exercise its authorisation from the Annual General Meeting 2019 to repurchase own shares such that its holding of own shares does not exceed 10 per cent of the total number of shares in the company. Evolution has in the first quarter aquired a total of 338,000 own shares for EUR 9.854 thousands. All acquisitions were carried out on Nasdaq Stockholm.

#### **2020 Annual General Meeting**

As a result of the outbreak of the coronavirus COVID-19, Evolution Gaming's board of directors has made the decision to postpone the annual general meeting. Evolution will communicate a new AGM date no later than in connection with the new notice of the annual general meeting. Evolution will call for the annual general meeting no later than four weeks prior to the new date. The meeting will be held no later than on 30 June 2020. There are no decisions to amend the board's proposals to the postponed AGM.

#### **Upcoming report dates**

Interim report January-June 2020	17 July 2020
Interim report January-September 2020	22 October 2020
Year-end report 2020	February 2021

#### **Review**

This year-end report has not been reviewed by the company's auditors.

# **EXHIBIT 14**



## Interim report | January–June 2020 | Evolution Gaming Group AB (publ)

**Second quarter of 2020 (Q2 2019)**

- Operating revenues increased by 50% to EUR 128,3 million (85,7)
- EBITDA increased by 90% to EUR 81,1 million (42,7), corresponding to a margin of 63,2% (49,8)
- Profit for the period amounted to EUR 70,4 million (34,5)
- Earnings per share amounted to EUR 0.39 (0.19)

**January–June 2020 (1H 2019)**

- Operating revenues increased by 48% to EUR 243,5 million (165,0)
- EBITDA increased by 85% to EUR 145,3 million (78,6), corresponding to a margin of 59.7% (47,7)
- Profit for the period amounted to EUR 124,6 million (63,1)
- Earnings per share amounted to EUR 0.69 (0.35)

**Events during the second quarter of 2020**

- Continued high demand generates a positive effect on margin development.
- Evolution Gaming announces a recommended public offer to the shareholders of NetEnt.
- Dividend of EUR 0.42 per share.
- Six new games launched during the second quarter.

**Summary of the second quarter and first six months of 2020**

Group (EUR thousands)	Apr-Jun 2020	Apr-Jun 2019	%	Jan-Jun 2020	Jan-Jun 2019	%	Jul 2019- Jun 2020	Jan-Dec 2019	%
Operating revenues	128 307	85 728	50%	243 456	165 025	48%	444 183	365 752	21%
EBITDA	81 143	42 730	90%	145 266	78 648	85%	249 566	182 948	36%
EBITDA margin	63,2%	49,8%	-	59,7%	47,7%	-	56,2%	50,0%	-
Operating profit	74 166	36 614	103%	131 291	66 803	97%	221 960	157 472	41%
Operating margin	57,8%	42,7%	-	53,9%	40,5%	-	50,0%	43,1%	-
Profit for the period	70 445	34 529	104%	124 641	63 105	98%	211 262	149 726	41%
Profit margin	54,9%	40,3%	-	51,2%	38,2%	-	47,6%	40,9%	-
Earnings per share before dilution (EUR)	0,39	0,19	102%	0,69	0,35	96%	1,16	0,83	40%
Equity per share (EUR)	1,78	1,01	76%	1,78	1,01	76%	1,78	1,55	15%
OCF per share before dilution (EUR)	0,52	0,20	163%	0,73	0,39	84%	1,30	0,97	34%
Average number of FTEs	4 211	4 845	-13%	4 848	4 656	4%	5 004	4 894	2%

**For more information, please contact:**  
 Jacob Kaplan, CFO  
[ir@evolutiongaming.com](mailto:ir@evolutiongaming.com)

**Visit and follow Evolution:**  
[www.evolutiongaming.com](http://www.evolutiongaming.com)  
[www.twitter.com/IREvoLiveCasino](http://www.twitter.com/IREvoLiveCasino)

## CEO's comments

The strong development for Evolution continued during the second quarter. The quarter has been eventful with several product launches and a very high demand, partly due to the lack of sports betting games through a large part of the period, but we also see strong underlying growth. At the end of June, we announced a recommended offer to the shareholders of NetEnt with the aim to expand Evolution's offering with market-leading slots and to continue towards our vision to become the global leading provider of online casino.

Revenues for the second quarter amounted to EUR 128.3 million (85.7), an increase of 50 percent compared to the corresponding period last year. EBITDA amounted to EUR 81.1 (42.7) with a margin of 63 percent. The margin has been positively affected by high demand and that we have operated fewer tables due to the pandemic. However, the lower number of tables has had a negative effect on revenue both through lower fees from our dedicated environments and through lower capacity than normal. For the January-June period, the margin was 60 percent, meaning we have a good distance to our previous prediction of improving the margin level this year compared to 2019.

Evolution's vision is to become the leading B2B provider in online casino. An acquisition of NetEnt means that we can accelerate the pace towards this vision. To add NetEnt's leading slots to Evolution's strong Live Casino offering will create a very strong market position significantly faster, especially in the USA, and together with clear synergies we believe this to be a strategic and highly attractive acquisition. A future Evolution with two verticals as the foundation will increase cash flow and reduce risk, while the growth potential increases. The bid process continues according to the previously announced time schedule.

During 2020, Evolution has continued and strengthened its focus on products and innovation. Our ability to develop new unique games while at the same time creating new variants of traditional games is important to further strengthen our leading position in Live Casino. So far, we have launched 8 out of the 12 games that we will launch this year. After the end of the quarter, we launched another one – Crazy Time – which is the most expensive and time-consuming game that we have developed to date. The reactions were instant, and we are overwhelmed by the positive reception among both players and operators.

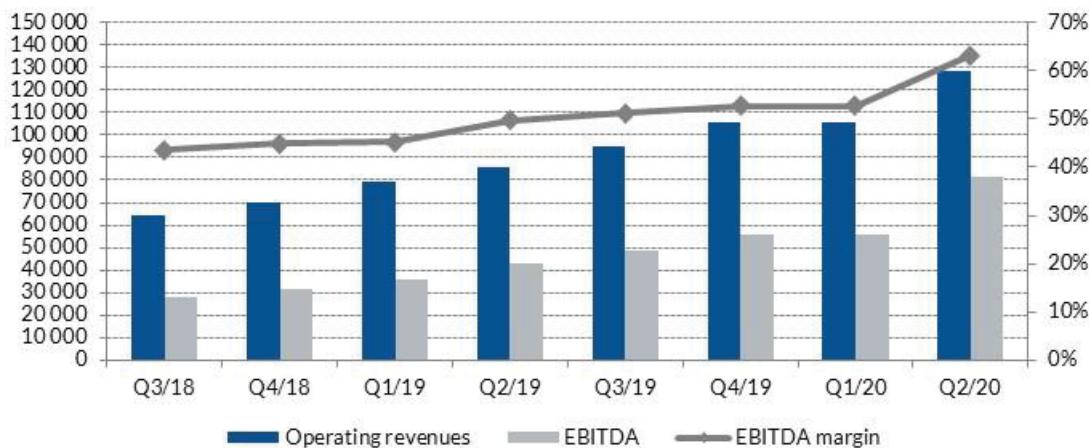
All new titles, especially in the Game Show category, contribute to a generally higher interest in Live Casino. To meet the increasing demand, it is vital that we continue to expand our studio capacity. Our Pennsylvania studio will be our 9<sup>th</sup> studio. Upcoming additions include a studio in Michigan and an English speaking studio in Lithuania.

During the quarter we signed an agreement with Golden Nugget that will see Evolution's US Live Casino services to be added to their existing online offering in New Jersey. The agreement consolidates Evolution's leading position in New Jersey, while also providing a strategic platform to explore additional opportunities together with Golden Nugget in other states as the regulation of online casino in the USA continues.

It has been an intense first half of the year impacted by Covid-19, which has entailed here-and-now problem solving. Since a few months back, we have a more stable virus situation and we have been able to devote more time to look forward while also preparing Evolution for a possible future second wave or similar pandemics. We are now working intensively with next year's product launches and how Evolution will play a role in the continued digitalisation of the casino industry. I believe that our focus on the best game experiences and a relentless approach to always improve as a company will continue to be important pieces as we move ahead. We shall become slightly better each day, and every day shall take Evolution another step forward.

**Martin Carlesund, CEO**

Quarterly results trend



## Financial performance in the second quarter of 2020

### Revenues

Revenues amounted to EUR 128,3 million (85,7) in the first quarter, equivalent to an increase of 50 percent compared with the corresponding period in 2019. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of our continuous launch of successful new games and variations on traditional games. The number of bet spots from end users amounted to 11,9 billion (5,6).

### Expenses

Operating expenses amounted to EUR 54.1 million (49,1). Personnel costs compared with the second quarter of 2019 are unchanged as a number of gaming tables were closed during the quarter due to COVID-19. The expansion in general has increased other operating expenses compared with the second quarter of 2019.

### Profitability

Operating profit amounted to EUR 74,2 million (36,6), corresponding to an increase of 103 percent. The operating margin was 57,8 percent (42,7). The EBITDA margin was 63,2 percent (49,8).

Net financial items only had a marginal impact on profits and related mostly to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 4,9 percent (5,6). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 70,4 million (34,5). Earnings per share before dilution were EUR 0.39 (0.19).

### Investments

Investments in intangible assets amounted to EUR 3,4 million (2,0) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 4,9 million (3,9) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 93,6 million (35,3) during the quarter. Cash flow from investing activities was negative in the amount of EUR 8,7 million (negative 6,0). Cash flow from financing activities was negative in the amount of EUR 77,4 million (negative 44,2) and included dividend to shareholders of EUR 76,1 million. Cash and cash equivalents amounted to EUR 212,0 million (88,7) at the end of the quarter.

## **First half of 2020 in brief**

#### **Revenues**

For the January-June 2020 period, revenues amounted to EUR 243,5 million (165,0), corresponding to an increase of 48 percent compared with the same period in 2019. The positive revenue development mainly derives from increased commission income from both new and existing customers.

#### **Expenses**

Operating expenses amounted to EUR 112,2 million (98,2). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios. The strong expansion has also increased other operating expenses compared with the previous year.

#### **Profitability**

Operating profit amounted to EUR 131,3 million (66,8) with an operating margin of 53,9 percent (40,5). The EBITDA margin was 59,7 percent (47,7).

#### **Investments**

Investments in intangible assets amounted to EUR 6,1 million (4,3) for the period. Investments in property, plant and equipment amounted to EUR 9,6 million (7,0). Investments in other financial assets amounted to EUR 0,5 million (0,1).

#### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities amounted to EUR 131,7 million (70,8) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 17,6 million (negative 21,8). Cash flow from financing activities was negative in the amount of EUR 84,2 million (negative 45,3) and included dividend to shareholders of EUR 76,1 million.

## **Market development**

#### **Live Casino market**

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the first quarter 67 percent (64,9) of the operators' GGR via Evolution's platform was generated by mobile devices. To a large extent, growth is also driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. In the period April-June 2020 revenues not based on player activity effected revenue from regulated markets negatively.

*Revenue per geographical region*

Group (EUR millions)	Apr-Jun 2019	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020
Nordics	6,0	6,1	6,1	6,2	6,7
UK	12,7	12,8	12,0	9,9	10,6
Rest Of Europe	43,8	46,5	53,3	59,8	62,4
Asia	10,0	13,9	17,7	20,8	28,2
North America	4,7	6,1	6,6	7,1	8,5
Other	8,5	9,3	10,2	11,4	12,1
<b>Total operating revenues</b>	<b>85,7</b>	<b>94,7</b>	<b>106,0</b>	<b>115,1</b>	<b>128,5</b>
Share of regulated markets	44%	42%	40%	38%	33%
Revenues, regulated markets <sup>②</sup>	37,5	40,2	42,4	43,7	42,8

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the second quarter of 2020 amounted to EUR 1,8 million (1,6) and expenses to EUR 1,9 million (1,5). Operating profit was negative in the amount of EUR 16 thousands (75). Result for the period was negative in the amount of EUR 18 thousands (negative 235). The Parent Company's cash and cash equivalents amounted to EUR 15,1 million (1,8) at the end of the period and equity amounted to EUR 262,2 million (232,1). No significant investments were made in intangible or tangible assets.

### Employees

As of 30 June 2020, Evolution had 6,764 employees (6,892), corresponding to 4,060 (5,120) full-time positions. The average number of full-time equivalents for the quarter was 4,211 (4,845).

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may

be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2019, which is available on the company's website.

#### **Acquisitions and cancellation of own shares**

During the first quarter the Board of Directors decided to exercise its authorisation from the Annual General Meeting 2019 to repurchase own shares such that its holding of own shares does not exceed 10 per cent of the total number of shares in the company. In March 2020 a total of 338,000 own shares was acquired for EUR 9.854 thousands. After the end of the period the acquired shares were canceled.

#### **Recommended public offer to the shareholders of NetEnt**

Evolution Gaming has announced a public offer to the shareholders of NetEnt AB (publ) to sell all their shares in NetEnt to Evolution in exchange for 0.1306 Evolution shares for each share in NetEnt. The Offer includes both the unlisted shares of series A and the shares of series B that are admitted to trading on Nasdaq Stockholm. For additional information see press release from 24 June, 2020.

#### Indicative timetable

- Estimated date for publication of the offer document: 14 August 2020
- Estimated acceptance period: 17 August–26 October 2020
- Estimated Extra General Meeting: September 2020
- Estimated settlement date: 2 November 2020

#### **Comment on Covid-19**

During the quarter, with a constant eye on the Covid-19 development, we have focused on being there for our customers and making the working environment for our employees safe. We have a continuous dialogue with our customers and have in various ways taken measures to support them when needed.

With the absence of sport events to bet on due to the Covid-19 pandemic Live Casino and Evolution Gaming have seen a positive impact on demand. However, as several sports leagues have resumed as well as Covid-19 lockdowns are being lifted that positive effect on demand will decrease.

#### **Upcoming report dates**

Interim report January-September 2020	22 October 2020
Year-end report 2020	10 February 2021

#### **Review**

This interim report has not been reviewed by the company's auditors.

# **EXHIBIT 15**



EGR  
LIVE CASINO  
SUPPLIER OF  
THE YEAR  
11 YEARS  
2010-2020

## Interim report | January–September 2020 | Evolution Gaming Group AB (publ)

### Third quarter of 2020 (Q3 2019)

- Operating revenues increased by 48% to EUR 140.0 million (94.7)
- EBITDA increased by 87% to EUR 90.7 million (48.5), corresponding to a margin of 64.8% (51.2)
- Profit for the period amounted to EUR 79.4 million (39.8)
- Earnings per share amounted to EUR 0.44 (0.22)

### January-September 2020 (9M 2019)

- Operating revenues increased by 48% to EUR 383.5 million (259.0)
- EBITDA increased by 86% to EUR 235.9 million (127.1), corresponding to a margin of 61.5% (48.9)
- Profit for the period amounted to EUR 204.0 million (102.9)
- Earnings per share amounted to EUR 1.12 (0.57)

### Events during the third quarter of 2020

- Continued high demand generates a positive effect on margin development.
- Live Casino Supplier of the Year Award for the 11th year running at the EGR B2B Awards.
- Continued expansion in the US with several new customers as well as the opening of the studio in Pennsylvania (after the end of the period)

### Summary of the third quarter and the first nine months of 2020

Group (EUR thousands)	Jul-Sep 2020	Jul-Sep 2019	%	Jan-Sep 2020	Jan-Sep 2019	%	Oct 2019- Sep 2020	Jan-Dec 2019	%
Operating revenues	140 020	94 729	48%	383 476	259 754	48%	489 474	365 752	34%
EBITDA	90 728	48 470	87%	235 994	127 118	86%	291 824	182 948	60%
EBITDA margin	64.8%	51.2%	-	61.5%	48.9%	-	59.6%	50.0%	-
Operating profit	83 572	41 995	99%	214 863	108 798	97%	263 537	157 472	67%
Operating margin	59.7%	44.3%	-	56.0%	41.9%	-	53.8%	43.1%	-
Profit for the period	79 381	39 775	100%	204 022	102 880	98%	250 868	149 726	68%
Profit margin	56.7%	42.0%	-	53.2%	39.6%	-	51.3%	40.9%	-
Earnings per share before dilution (EUR)	0.44	0.22	100%	1.12	0.57	97%	1.38	0.83	67%
Equity per share (EUR)	2.20	1.29	71%	2.20	1.29	71%	2.20	1.55	43%
OCF per share before dilution (EUR)	0.47	0.28	67%	1.19	0.67	77%	1.49	0.97	53%
Average number of FTEs	4 699	5 104	-8%	4 867	4 679	4%	4 973	4 894	2%

For more information, please contact:  
Jacob Kaplan, CFO  
[ir@evolution.com](mailto:ir@evolution.com)

Visit and follow Evolution:  
[www.evolution.com](http://www.evolution.com)  
[www.twitter.com/EvolutionIR](http://www.twitter.com/EvolutionIR)

Evolution develops, produces, markets and licenses fully integrated B2B Live Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 300+ operators among its customers. The group currently employs about 7 400 people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit [www.evolution.com](http://www.evolution.com) for more information.

Evolution is licensed and regulated by the Malta Gaming Authority under licence MGA/B2B/187/2010. Evolution is also licensed and regulated in many other jurisdictions such as the United Kingdom, Belgium, Canada, Romania, South Africa, and others.



## CEO's comments

I'm happy to report strong results for the quarter. Revenue amounted to EUR 140 million, an increase of 48 percent compared with the third quarter of 2019. EBITDA amounted to EUR 91 million with a margin of 64.8 percent. The past quarter has also been a period of exceptionally high activity operationally within Evolution and after the end of the quarter we are live with our first tables in both Pennsylvania, USA and Kaunas, Lithuania. We are still dealing with the limitations imposed by Covid but we are slowly coming back towards pre-Covid levels in number of tables.

Our new game show style game - Crazy Time - was launched globally on July 1<sup>st</sup> and has been a great success. Players enjoy the groundbreaking game format and possibility of big wins. It is our most successful game launch to date. Instant Roulette was also launched during the quarter and coming up in Q4 is the launch of Craps. We continue to build our portfolio of unique innovative games both within traditional table games as well as game shows.

Germany is on its way to be the next regulated market in Europe. Licenses for Online Casino, which includes Live Casino, and Online Slots, are planned to be issued from July 2021. Until then a transition will take place where some operators will not offer Live Casino. Revenue related to German players make up 5-10% of our current total revenues. While we expect a negative effect on our German revenue during the transition the effect on the Evolution group as a whole is limited. Long-term we view the move towards regulation in Germany as positive for Evolution.

We continue to stay focused on further strengthening our North American footprint and it makes me proud to say that we now are live in Pennsylvania. Also important for the North America expansion is that we, during the third quarter, have signed several new customers for the US market and more are to come. Regardless of the timing for regulation in additional states we know that Evolution is well positioned and that the US market is a long-term project with very high potential.

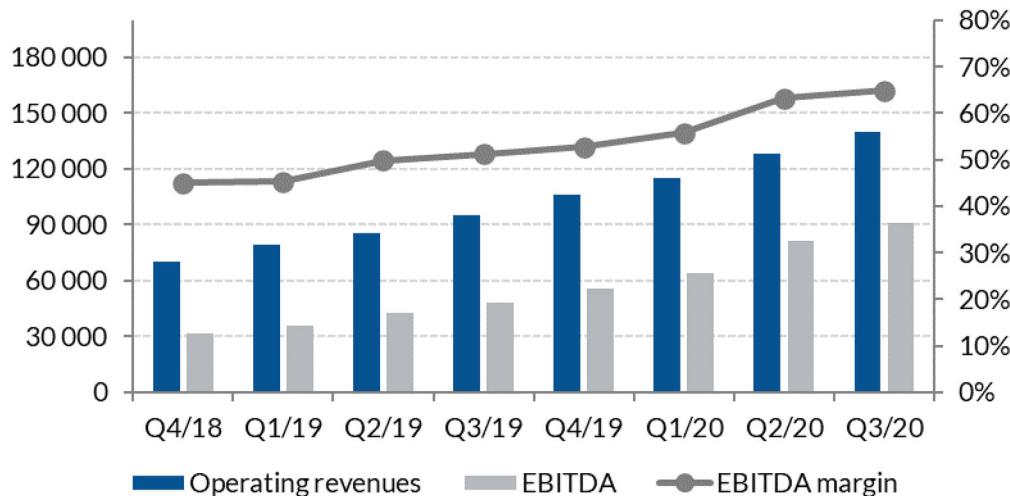
We experience high demand for our games all over the world and thus we continue to invest in additional studio capacity to meet the total demand. During this week we also launched the new medium sized Lithuanian studio. It has been our fastest and most efficient build so far. Together with the latest expansion in Tbilisi, the new build in Pennsylvania, expansion in Malta, expansion in New Jersey and the coming build in Michigan we look forward to a very hectic expansion in the coming period.

During the period we have also updated our corporate brand to **Evolution**. The new branding better reflects the diversity of our operations. In addition to our gaming offerings, we are also active within areas such as software development, technology innovation and state-of-the art broadcast studio design.

With increased studio capacity together with a continuous development of the very best products and services, we are well positioned to increase our market leadership within Live Casino going forward. During the fourth quarter we look forward to close the deal with NetEnt. We see a fantastic potential in combining the two companies and continuing to deliver the best playing experiences for players across the globe. As I said in the beginning of this report we have a hectic Q3 behind us and now we look forward to an even more hectic Q4. We will continue to work relentlessly on all fronts to continue to better every single day.

**Martin Carlesund, CEO**

*Quarterly results trend*



## Financial performance in the third quarter of 2020

### Revenues

Revenues amounted to EUR 140.0 million (94.7) in the third quarter, equivalent to an increase of 48 percent compared with the corresponding period in 2019. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of our continuous launch of successful new games and variations on traditional games. The number of bet spots from end users amounted to 12.9 billion (5.8).

### Expenses

Operating expenses amounted to EUR 56.4 million (52.7). Personnel costs compared with the third quarter of 2019 decreased since a number of gaming tables were closed during the quarter due to Covid-19. The expansion in general has increased other operating expenses compared with the third quarter of 2019.

### Profitability

Operating profit amounted to EUR 83.6 million (42.0), corresponding to an increase of 99 percent. The operating margin was 59.7 percent (44.3). The EBITDA margin was 64.8 percent (51.2).

Net financial items only had a marginal impact on profits and related mostly to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 5.0 percent (5.1). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the quarter amounted to EUR 79.4 million (39.8). Earnings per share before dilution were EUR 0.44 (0.22).

### Investments

Investments in intangible assets amounted to EUR 2.8 million (4.1) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 7.5 million (5.1) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 84.7 million (50.7) during the quarter. Cash flow from investing activities was negative in the amount of EUR 10.6 million (negative 9.2). Cash flow from financing activities was negative in the amount of EUR 1.3 million (10.6). Cash and cash equivalents amounted to EUR 283.2 million (141.1) at the end of the quarter.

## First nine months of 2020 in brief

### Revenues

For the January-September 2020 period, revenues amounted to EUR 383.5 million (259.8), corresponding to an increase of 48 percent compared with the same period in 2019. The positive revenue development mainly derives from increased commission income from both new and existing customers.

### Expenses

Operating expenses amounted to EUR 168.6 million (151.0). Expenses were mainly driven by higher costs for the strong expansion which have increased other operating expenses by over 30 percent compared with the previous year. Expenses for personnel increased by 2 percent.

### Profitability

Operating profit amounted to EUR 214.9 million (108.8) with an operating margin of 56.0 percent (41.9). The EBITDA margin was 61.5 percent (48.9).

### Investments

Investments in intangible assets amounted to EUR 8.9 million (8.4) for the period. Investments in property, plant and equipment amounted to EUR 17.1 million (12.0). Investments in other financial assets amounted to EUR 0.9 million (0.1).

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 216.4 million (121.5) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 28.3 million (negative 31.0). Cash flow from financing activities was negative in the amount of EUR 85.5 million (negative 34.6) and included dividend to shareholders of EUR 76.1 million (43.2).

## Market development

### Live Casino market

In Europe, Live Casino has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total European Live Casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the third quarter 69.7 percent (67.7) of the operators' GGR via Evolution's platform was generated by mobile devices. To a large extent, growth is also

driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location.

*Revenue per geographical region*

Group (EUR millions)	Jul-Sep 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020
Nordics	6,1	6,1	6,2	6,7	5,8
UK	12,8	12,0	9,9	10,6	9,5
Rest Of Europe	46,5	53,3	59,8	62,4	65,6
Asia	13,9	17,7	20,8	28,2	34,8
North America	6,1	6,6	7,1	8,5	9,2
Other	9,3	10,2	11,4	12,1	15,1
<b>Total operating revenues</b>	<b>94,7</b>	<b>106,0</b>	<b>115,1</b>	<b>128,5</b>	<b>140,0</b>
Share of regulated markets	42%	40%	38%	33%	32%
Revenues, regulated markets	40,2	42,4	43,7	42,8	45,2

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the third quarter of 2020 amounted to EUR 2.5 million (1.8) and expenses to EUR 2.4 million (1.8). Operating profit amounted to EUR 0.1 million (negative 0.1). Result for the period amounted to EUR 0.1 million (negative 0.3). The Parent Company's cash and cash equivalents amounted to EUR 11.9 million (1.0) at the end of the period and equity amounted to EUR 262.2 million (243.5). No significant investments were made in intangible or tangible assets.

### Employees

As of 30 September 2020, Evolution had 7,395 employees (7,342), corresponding to 5,054 (5,273) full-time positions. The average number of full-time equivalents for the quarter was 4,699 (5,104).

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable

or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2019, which is available on the company's website.

#### **Acquisitions and cancellation of own shares**

During the first quarter the Board of Directors decided to exercise its authorisation from the Annual General Meeting 2019 to repurchase own shares such that its holding of own shares does not exceed 10 per cent of the total number of shares in the company. In March 2020 a total of 338,000 own shares was acquired for EUR 9,854 thousands. During the third quarter the acquired shares have been canceled.

#### **Recommended public offer to the shareholders of NetEnt**

On 24 June 2020, Evolution Gaming Group AB (publ) announced a recommended public offer to the shareholders of NetEnt AB (publ) to sell all their shares in NetEnt to Evolution in exchange for 0.1306 Evolution shares for each share in NetEnt. The Offer includes both the unlisted shares of series A and shares of series B that are admitted to trading on Nasdaq Stockholm. The initial acceptance period for the Offer, which commenced on 21 August 2020 and expires on 30 October 2020, is now extended up to and including 20 November 2020.

The Offer is conditional upon, *inter alia*, the receipt of all necessary approvals from relevant authorities. The Malta Competition and Consumer Affairs Authority (Office for Competition) has on 29 September 2020 announced its approval of Evolution's acquisition of NetEnt. The UK Competition and Markets Authority's process continues up to and including 16 November 2020, and, consequently, cannot be expected to be completed within the initial acceptance period which is the reason for the extended acceptance period.

#### **Comment on Covid-19**

During the quarter, with a constant eye on the Covid-19 development, we have focused on being there for our customers and making the working environment for our employees safe. We have a continuous dialogue with our customers and have in various ways taken measures to support them when needed.

#### **Calendar**

Year-end report 2020	10 February 2021
Annual general Meeting	16 April 2021
Interim report January – March 2021	27 April 2021
Interim report January – June 2021	21 July 2021
Interim report January – September 2021	28 October 2021

# EXHIBIT 16



## Year-end report | January–December 2020 | Evolution Gaming Group AB (publ)

### Fourth quarter of 2020 (Q4 2019)

- Operating revenues increased by 68% to EUR 177.7 million (106.0)
- EBITDA adjusted for non-recurring items amounted to EUR 115.6 million (55,8), an increase with 107%, for a margin of 65,1% (52,7%)
- Non-recurring acquisition and restructuring costs amounted to EUR 19.4 million
- EBITDA including non-recurring items increased by 72% to EUR 96.2 million (55.8), corresponding to a margin of 54.2% (52.7)
- Profit for the period amounted to EUR 80.6 million (46.8)
- Earnings per share amounted to EUR 0.42 (0.26)

### Full-year 2020 (2019)

- Operating revenues increased by 53% to EUR 561.1 million (365.8)
- EBITDA adjusted for non-recurring items amounted to EUR 351,6 million (182,9), an increase with 92%, for a margin of 62,7% (50,0)
- Non-recurring acquisition and restructuring costs amounted to EUR 19.4 million
- EBITDA increased by 82% to EUR 332.2 million (182.9), corresponding to a margin of 59.2% (50.0)
- Profit for the period amounted to EUR 284.6 million (149.7)
- Earnings per share amounted to EUR 1.55 (0.83)
- The Board proposes a dividend of EUR 0.68 per share (0.42)

### Events during the fourth quarter of 2020

- Rising demand and good leverage from investments made in 2020 generated a growth rate of 51% for Evolution Live in the quarter. Growth for NetEnt amounted to 5% for the full quarter compared to Q4-19.
- Acquisition of NetEnt completed 1 December, included in the P&L during December.
- The launch of the world's first ever online Live Craps game.

### Summary of the fourth quarter and the full-year 2020

Group (EUR thousands)	Oct-Dec 2020	Oct-Dec 2019	%	Jan-Dec 2020	Jan-Dec 2019	%
Operating revenues	177,658	105,998	68%	561,134	365,752	53%
EBITDA	96,219	55,830	72%	332,213	182,948	82%
EBITDA margin	54.2%	52.7%	-	59.2%	50.0%	-
EBITDA excluding items affecting comparability	115,605	55,830	107%	351,599	182,948	92%
Adjusted EBITDA-margin	65.1%	52.7%	-	62.7%	50.0%	-
Operating profit	84,837	48,674	74%	299,700	157,472	90%
Operating margin	47.8%	45.9%	-	53.4%	43.1%	-
Profit for the period	80,600	46,846	72%	284,622	149,726	90%
Profit margin	45.4%	44.2%	-	50.7%	40.9%	-
Earnings per share before dilution (EUR)	0.42	0.26	63%	1.55	0.83	87%
Equity per share (EUR)	12.84	1.55	730%	12.84	1.55	730%
OCF per share before dilution (EUR)	0.52	0.30	74%	1.72	0.97	77%
Average number of FTEs	5,731	5,419	6%	5,118	4,894	5%

Evolution develops, produces, markets and licenses fully integrated B2B Live Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 300+ operators among its customers. The group currently employs about 9,500 people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit [www.evolution.com](http://www.evolution.com) for more information. Evolution is licensed and regulated by the Malta Gaming Authority under licence MGA/B2B/187/2010. Evolution is also licensed and regulated in many other jurisdictions such as the United Kingdom, Belgium, Canada, Romania, South Africa, and others.

## CEO's comments

We end an eventful 2020 on a high note with a quarter that marks a significant step forward for Evolution. Through the acquisition of NetEnt, we add a second vertical to our unrivalled Live Casino offer and two strong and fantastic new brands to our product portfolio. This makes us well-placed for our long-term ambition of taking a leading global position in online casino. With a strong market penetration in Live Casino and Slots across North America, Asia and Europe as our platform, we remain committed to creating the best gaming experience for every single user in both verticals. I am excited about what lies ahead for 2021 when we will continue to increase the gap to the competition.

Evolution Live had a strong fourth quarter with growth of 51% compared to the same period 2019. I am particularly pleased that we continue to see a positive momentum in player numbers and engagement levels. Games launched during 2020 have performed very well and recently we launched the first ever live version of Craps. We are now on our way with the roadmap for 2021, it is an intense time with releases being planned as I write this. During this year, we will further strengthen our Game Show-segment and increase the entertainment factor to attract and serve new player categories.

Our revenues during the quarter amounted to EUR 177.7 million, including EUR 17.8 million from NetEnt. The NetEnt acquisition was closed on the 1<sup>st</sup> of December 2020 so one full month of NetEnt is accounted for in the numbers. The underlying growth rate in the quarter compared to Evolution of Q419 was as stated above 51% and NetEnt had 5% growth for the full quarter compared to Q4 2019 reported figures. EBITDA in the quarter amounts to EUR 96.2 million which includes EUR 9.2 million from NetEnt in December and EUR 19.4 million in non-recurring restructuring related cost. EBITDA-margin is 54.2% in the quarter and adjusted for non-recurring items 65.1%. Currently, our outlook is to achieve the margin level of the fourth quarter 2020 also for full year 2021.

Since the day of the closure, I look at Evolution as one company with multiple strong products and brands. We acquired NetEnt because we believe that we together can create something great. To maximise the potential of this acquisition it was essential that we discarded existing structures and rapidly rebuild ourselves in a joint version. We were well prepared before the take-over and started the execution on day one. In the first month following the closure, we completed the planned integration. We will achieve approximately EUR 40 million of annual run-rate cost synergies which is 10 million more than earlier communicated. This effect will happen gradually during the two first quarters of 2021, about 6-9 months earlier compared to the pre-deal announcement.

In the years to come, we will continue to take advantage of the ongoing market regulation to strengthen our world-leading position in Live Casino and secure the continuous expansion of our Slots business into new markets while exploring additional product opportunities combining Live and RNG. With the competence and experience from both organisations now in one group, we will leverage our joint innovative capabilities and the common conviction that product innovation is the key to success.

Overall, there was good growth in all our regions during the latter part of 2020. Despite the effects that the pandemic has on society in general in the US, we have continued to expand in Pennsylvania and in early 2021 we also launched our NetEnt-brand slot games in Michigan. Our Live casino studio in Michigan is under construction and will be launched later this year. With several other states getting ready to regulate and our extended product offer - the US remains a high growth potential market for Evolution. This quarter also saw the launch of the newly regulated Colombian market. South America, as well as Africa, has a future potential for us as we continue to see demand on a global level.

The pandemic has continued to be a factor throughout the year. Our organic growth was solid already in the beginning of 2020, and I am pleased to see continued strong demand with many new players and high activity in the network throughout the year. Meanwhile, with the well-being of our teams in mind, the pandemic has



brought on significant changes and challenges to work routines and impacted the timelines for construction of new studios as well as the total operating capacity. North America has been among those markets where it has been most difficult to operate and expand but it has been a demanding year for all of our markets and locations. I am impressed with the hard work, resilience and ingenuity of our employees in handling this and how they have come together to take us through the ever-changing context of 2020 with such strong results. Simply great work from every single one on the EVO-Team, Thank you.

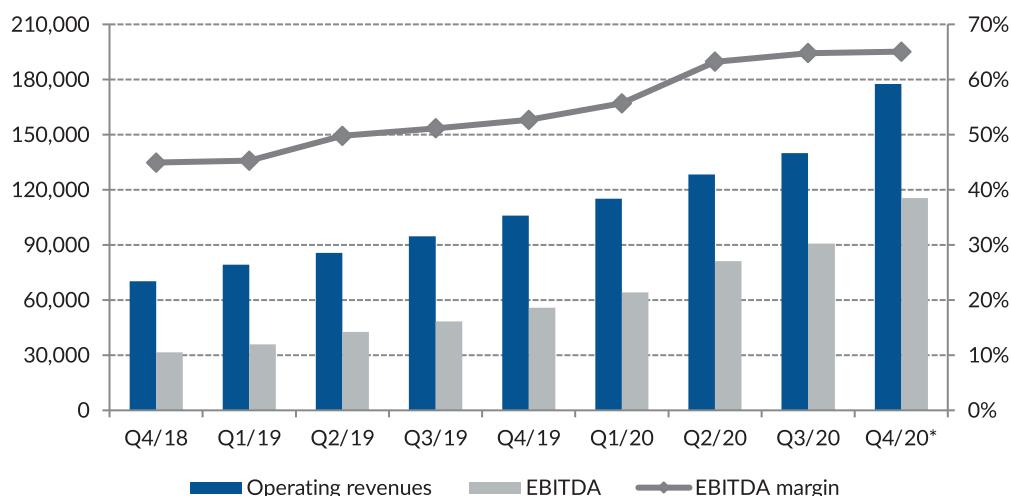
In this time of change and growth it is important to note that Evolution's focus will remain centered on the same idea that the company was once founded upon – innovation and pushing boundaries. We operate on the firm belief that it is the best products and the most thrilling experiences that will attract players and continuously increase the gap to the competition. We know that the future of gaming lies in engaging and entertaining and that, as a leading actor of this fast-moving industry, we are in a unique position to drive this development. For our people, it means that every individual should strive to be just a little bit better every day.

As we close the first year of this decade, the exact rate of global conversion from land-based to online gaming remains unpredictable. However, the overarching trends are clear and there is no doubt that online will continue to grow at a high rate, fuelled by the overall trends in increased access to high-speed internet and market regulation. We have our growth runway laid out to meet this growing demand, and we will continue to invest in studio capacity and keep our relentless focus on product innovation and a flawless delivery by our team and striving to do better every day.

There is much to look forward to in 2021. We enter the new year with an intense and successful 2020 behind us, a proven strong, competent and energetic team and tremendous business momentum. 2021 is off to a strong start and I am excited to soon share more news from the group on how we plan to work with operators to take product innovation and player experience to the next level.

**Martin Carlesund**  
CEO

Quarterly results trend



\*Q4/20 adjusted for non-recurring items

## Financial performance in the fourth quarter of 2020

### Revenues

Revenues amounted to EUR 177.7 million (106.0) in the fourth quarter, equivalent to an increase of 68 percent compared with the corresponding period in 2019. NetEnt was consolidated as of 1 December and EUR 17.8 million of the revenue is derived from NetEnt-games. The positive revenue development within live casino mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of our continuous launch of new games and variations on traditional games. The number of bet spots from end users amounted to 15.3 billion (7.1).

### Expenses

Operating expenses amounted to EUR 92.8 million (57.3). EUR 12.4 million of the increase compared with the previous period relates to NetEnt and includes depreciation and amortisation related to the acquisition. The quarter also includes 19.4 million in restructuring and acquisition costs related to the acquisition of NetEnt. These mainly consists of adaptation costs regarding personnel as well as unutilized lease agreements. The company's expansion in general has increased operating expenses compared with the fourth quarter of 2019.

### Profitability

EBITDA adjusted for non-recurring items amounted to EUR 115.6 million (55.8) corresponding to a margin of 65.1 percent (52.7). EBITDA including non-recurring items amounted to EUR 96.2 million corresponding to a margin of 54.2 percent (52.7). Operating profit amounted to EUR 84.8 million (48.7), corresponding to an increase of 74 percent. The operating margin was 47.8 percent (45.9).

Net financial items only had a marginal impact on profits and related mostly to the interest expense on loans for the studio property in Riga. The Group's effective tax rate for the quarter amounted to 4.1 percent (3.7). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the quarter amounted to EUR 80.6 million (46.8). Earnings per share before dilution were EUR 0.42 (0.26).

### Investments

Investments in intangible assets amounted to EUR 4.8 million (2.7) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality. See Note 5 for information about acquisition of group companies.

Investments in property, plant and equipment amounted to EUR 6.2 million (6.9) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 99.6 million (54.3) during the quarter. Cash flow from investing activities amounted to EUR 35.1 million (negative 11.2). Cash flow from financing activities was negative in the amount of EUR 194.4 million (negative 1.4) and includes the redemption of NetEnt's credit facilities of EUR 184.7 million. Cash and cash equivalents amounted to EUR 221.7 million (182.5) at the end of the quarter.

## Full-year 2020 in brief

### Revenues

For the January-December 2020 period, revenues amounted to EUR 561.1 million (365.8), corresponding to an increase of 53 percent compared with the same period in 2019. The positive revenue development mainly derives from increased commission income from both new and existing customers.

### Expenses

Operating expenses amounted to EUR 261.4 million (208.3). Expenses were mainly driven by higher costs for the strong expansion, including the acquisition of NetEnt, which have increased other operating expenses by 69 percent (41) compared with the previous year. Expenses for personnel increased by 5.8 percent (29.4).

### Profitability

EBITDA adjusted for non-recurring items amounted to EUR 351.6 million (182.9) corresponding to a margin of 62.7 percent (50.0). EBITDA including non-recurring items amounted to EUR 332.2 million corresponding to a margin of 59.2 percent (50.0). Operating profit amounted to EUR 299.7 million (157.5) with an operating margin of 53.4 percent (43.1).

### Investments

Investments in intangible assets amounted to EUR 13.6 million (11.2) for the period. Investments in property, plant and equipment amounted to EUR 23.3 million (19.0). Investments in other financial assets amounted to EUR 2.4 million (0.6). See Note 5 for information about acquisition of group companies.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 316.1 million (175.8) over the period. The increase is primarily due to improved profit. Cash flow from investing activities amounted to EUR 6.8 million (negative 42.5). Cash flow from financing activities was negative in the amount of EUR 279.9 million (negative 36.1) and included dividend to shareholders of EUR 76.1 million (43.2) and the redemption of NetEnt's credit facilities of EUR 184.7 million.

## Market development

### Online Casino market

Evolution offer products within live casino and slots – two segments within online casino. The market for online casino has grown in recent years and is expected to continue to grow faster than the casino market as a whole. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for

many years, and in the fourth quarter 70 percent (69) of the operators' GGR via Evolution's platform was generated by mobile devices. To a large extent, growth is also driven by Live Casino having grown in importance for most gaming operators, who consequently elect to expose and market their Live offerings to customers more extensively than before.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location.

*Revenue per geographical region*

Group (EUR millions)	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
Nordics	6.1	6.2	6.7	5.8	11.1
UK	12.0	9.9	10.6	9.5	13.9
Rest Of Europe	53.3	59.8	62.4	65.6	81.1
Asia	17.7	20.8	28.2	34.8	41.9
North America	6.6	7.1	8.5	9.2	12.6
Other	10.2	11.4	12.1	15.1	17.1
<b>Total operating revenues</b>	<b>106.0</b>	<b>115.1</b>	<b>128.5</b>	<b>140.0</b>	<b>177.7</b>
Share of regulated markets	40%	38%	33%	32%	36%
Revenues, regulated markets	42.4	43.7	42.8	45.2	64.3

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the fourth quarter of 2020 amounted to EUR 2.8 million (2.3) and expenses to EUR 2.8 million (2.1). Operating profit amounted to EUR 0.0 million (negative 0.2). Result for the period amounted to EUR 200.2 million (100.1). The Parent Company's cash and cash equivalents amounted to EUR 34.4 million (1.1) at the end of the period and equity amounted to EUR 2,666.3 million (343.6). The acquisition of NetEnt has increased the participating interest in group companies with EUR 2,289.3 million and total equity has increased with EUR 2,204.0 million through the new issue of shares. No significant investments were made in intangible or tangible assets.

### Employees

As of 31 December 2020, Evolution had 9,506 employees (7,828), corresponding to 6,818 (5,554) full-time positions. The average number of full-time equivalents for the quarter was 5,954 (5,419).

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the

Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2019, which is available on the company's website.

#### **Recommended public offer to the shareholders of NetEnt**

On 24 June 2020, Evolution Gaming Group AB (publ) announced a recommended public offer to the shareholders of NetEnt AB (publ) to sell all their shares in NetEnt to Evolution in exchange for 0.1306 Evolution shares for each share in NetEnt. Following the closing of the Offer, Evolution thus holds a total of 237,689,754 shares in NetEnt, corresponding to approximately 96.8 percent of the total number of shares and approximately 98.6 per cent of the total number of votes in NetEnt.

Evolution has initiated a compulsory buy-out procedure in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) for the purpose of acquiring those shares not submitted in the Offer.

As of 1 December 2020, Evolution and NetEnt operates as one group under the name Evolution. Evolution has implemented a total reorganisation and integration of NetEnt. This reorganisation means, *inter alia*, that the management of Evolution assumes operational responsibility within NetEnt, but also a number of additional changes in reporting paths and structure.

The restructuring means a streamlining of the business within the development of slots games as well as the closure of NetEnt's Live offer. The streamlining measures will also have consequences within Business support units within the company. All measures are in line with the synergy goals which were previously communicated, in connection with the announcement of the offer, with annual cost savings of EUR 30 million compared to NetEnt's and Evolution's combined cost base as of the first quarter of 2020.

Evolution will continue to offer products under four brands Evolution, Ezugi, NetEnt and RedTiger. See Note 5 for additional information about the acquisition.

#### **Comment on Covid-19**

During the quarter, with a constant eye on the Covid-19 development, we have focused on being there for our customers and making the working environment for our employees safe. We have a continuous dialogue with our customers and have in various ways taken measures to support them when needed.

#### **Dividend**

The Board of Directors proposes that the Annual General Meeting resolve to transfer EUR 145.2 million (76.3) to shareholders, corresponding to EUR 0.68 per share (0.42) and 51 percent (51) of net profit respectively. Evolution has adopted a dividend policy according to which, 50 percent of the company's consolidated net profit is to be distributed over time, with a certain degree of flexibility in terms of the proportion distributed in dividends.

#### **Calendar**

Annual general Meeting	16 April 2021
Interim report January – March 2021	27 April 2021
Interim report January – June 2021	21 July 2021
Interim report January – September 2021	28 October 2021

# **EXHIBIT 17**



## Interim report | January–March 2021 | Evolution Gaming Group AB (publ)

### First quarter of 2021 (Q1 2020)

- Operating revenues increased by 105% to EUR 235.8 million (115.1)
- EBITDA increased by 150% to EUR 160.1 million (64.1), corresponding to a margin of 67.9% (55.7)
- Profit for the period amounted to EUR 132.0 million (54.2)
- Earnings per share before dilution amounted to EUR 0.62 (0.30)

### Events during the first quarter of 2021

- Continued high demand generates a positive effect on margin development.
- Completed synergy project related to NetEnt acquisition.
- After the end of the period, Evolution entered into an agreement to acquire online slot machine developer Big Time Gaming.

### Summary of the first quarter 2021

Group, EUR thousands	Jan-Mar 2021	Jan-Mar 2020	%	Apr 2020-Mar 2021	Jan-Dec 2020	%
Operating revenues	235,841	115,149	105%	681,826	561,134	22%
EBITDA	160,125	64,123	150%	428,215	332,213	29%
EBITDA margin	67.9%	55.7%	-	62.8%	59.2%	-
EBITDA excl non-recurring items	160,125	64,123	150%	447,601	351,599	27%
Adjusted EBITDA-margin	67.9%	55.7%	-	65.6%	62.7%	-
Operating profit	141,648	57,125	148%	384,223	299,700	28%
Operating margin	60.1%	49.6%	-	56.4%	53.4%	-
Profit for the period	132,038	54,196	144%	362,464	284,622	27%
Profit margin	56.0%	47.1%	-	53.2%	50.7%	-
Earnings per share before dilution, EUR	0.62	0.30	108%	1.89	1.55	22%
Equity per share, EUR	13.31	1.82	633%	13.31	12.84	4%
OCF per share before dilution, EUR	0.48	0.21	129%	1.98	1.72	15%
Average number of FTEs	7,055	5,739	23%	5,424	5,118	6%

For more information, please contact:  
Jacob Kaplan, CFO  
[ir@evolution.com](mailto:ir@evolution.com)

Visit and follow Evolution:  
[www.evolution.com](http://www.evolution.com)  
[www.twitter.com/EvolutionIR](http://www.twitter.com/EvolutionIR)

Evolution develops, produces, markets and licenses fully integrated B2B Online Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 500+ operators among its customers. The group currently employs 10,000+ people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit [www.evolution.com](http://www.evolution.com) for more information. Evolution is licensed and regulated by the Malta Gaming Authority under license MGA/B2B/187/2010. Evolution is also licensed and regulated in many other jurisdictions such as the United Kingdom, Belgium, Canada, Romania, South Africa, and others.

## CEO's comments

The positive trend from 2020 continues into the first quarter of 2021 where we see a good momentum both in terms of growth and profitability. The integration of NetEnt has been successful. I am truly impressed by the work from our teams, who, without losing focus on the daily high-quality delivery, and in a very short time, have managed to merge both workflows and organizational structure. We can already see good results from this work in the first quarter and I believe that we are well-set to continue to capitalize on the growing interest in online casino world-wide.

The revenues for the first quarter, including the acquired NetEnt business, increased by 105 percent to EUR 235 million, compared to the first quarter of 2020. EBITDA increased to EUR 160 million, corresponding to a margin of 67.9 percent. During the quarter we have closed the synergy project reaching EUR 40 million in annual run-rate cost synergies related to the acquisition of NetEnt – 9 months earlier than our original plan. We will continue our constant aim towards cost-efficiency even if not reporting any synergies moving forward.

Our Live Casino business continued to show very strong year-on-year growth reaching 60 percent in the quarter. It is the highest growth rate we have ever recorded in a quarter. We had a great momentum during 2020 and the group has continued to see a strong underlying demand for online casino with operators also in the first quarter of 2021. The RNG business started the year 2021 with growth of 6 percent compared to NetEnt revenues Q1 2020. This is in line with our near-term expectations. For the second quarter, we face somewhat tougher comparable figures, relating, particularly for the NetEnt business driven by the pandemic effects for NetEnt in Q2 2020.

Beyond everything else, our focus has always been to innovate and push boundaries to enhance the player experience. This goes for live as well as for RNG, and I am excited about how the new games that we have in line-up for 2021 will further confirm this commitment. This summer will see the release of the first product coming out of the cross-functional collaboration between the live and the RNG product development teams, Gonzo's Treasure Hunt. This product will combine a popular IP with the best from the live and the RNG worlds. Our slots offering is being re-vamped during the year and will include a new take on some of the most popular titles as well as brand new games from both the NetEnt and Red Tiger brands. During 2021 we will also add new games to the Live Game Show segment as well as new innovative takes on traditional live table games. In short, from a product standpoint, we will 2021 take the entertainment factor to yet a new high level but delivering more unexpected and thrilling quality gaming experiences to all players.

In terms of regional performance, all regions delivered good growth in the first quarter, with very high growth rates in Asia and North America. Evolution is truly a global operation serving players all over the world. Our commercial organization is now structured in four regions: Europe, Asia, North America and Latin America & Africa. With dedicated commercial resources to each region, we look forward to explore further development for each region together with operators.

Due to the pandemic, several studios continue to operate with somewhat limited capacity to ensure all safety and protective measures for staff can be kept in place. It's simply has been and still is a tough period. As all operators have experienced increased traffic over the last year, the pent-up demand for new tables is an important driver of the capacity expansion now taking place in some of our existing studios as well as a reason to our continuous investment in new studio development. Going forward, we intend to keep the investment in operational capacity at similar rates but as always in a trade off between margin and revenue will always go for market shares. In the first quarter, we invested in additional studio capacity both in North America and in other regions.

With the addition of NetEnt and Red Tiger brands to our product portfolio we push forward towards our vision of being a global market leader in online casino. In mid-April, after the closing of the first quarter, we

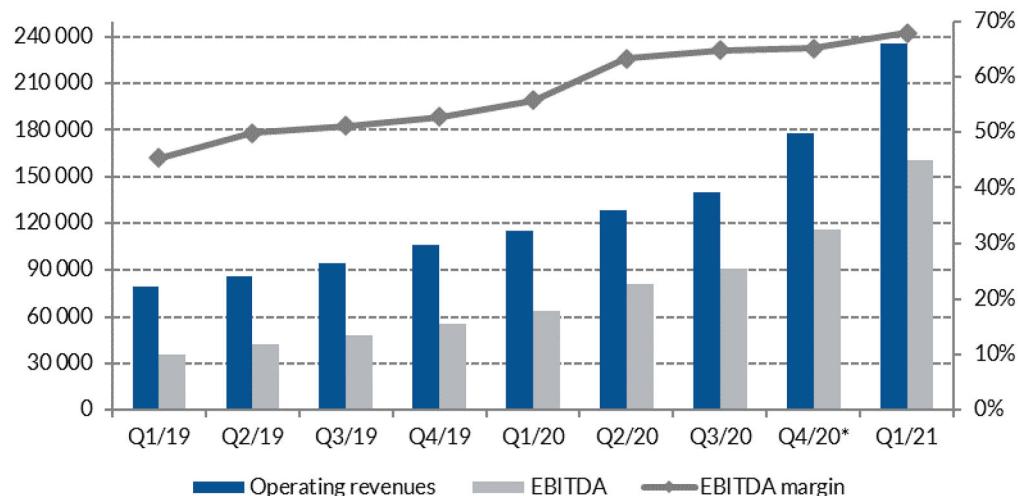


announced that Evolution had entered into an agreement to acquire Big Time Gaming. By adding Big Time Gaming to our portfolio of slot brands, we add more strong IPs and innovative fantastic talent. We take one step further towards the position as a leader in online casino products. The transaction is expected to be completed during the second quarter. I very much look forward to welcoming the Big Time Gaming team to Evolution and to work together on new innovative games.

Supported by a combination of underlying megatrends - like the digitalization of the world in general and the shift from land-based to online casinos in particular – Evolution has relentlessly continued to develop and drive the digitalization of the global casino market. This April marks 15 years since the company set up its first studio in Riga, Latvia, with the ambition to change the online casino industry. Since then, we have not only taken live casino to a quality level which was hard to imagine in 2006, we have also introduced a whole new product category in online casino, won multiple international awards for our products and our services and grown into a multinational group which operates from more than 20 countries world-wide and employs over 10,000 people. There is a lot to be proud of, but what is most exciting is that we have just begun. With the new opportunities now opening up in new markets, our recharged product offer and strong brand line-up and our continuously growing team of creative, talented and hardworking people – the next 15 years are bound to be more revolutionary and more exciting than what we have seen so far. It will be about every one of us, every day, striving to be just a bit better. That is simply how we will continue to widen the gap to competition.

**Martin Carlesund**  
**CEO**

Evolution quarterly reported figures



\*Q4/20 adjusted for non-recurring items

## Financial performance in the first quarter of 2021

### Revenues

Revenues amounted to EUR 235.8 million (115.1) in the first quarter, equivalent to an increase of 105 percent compared with the corresponding period in 2020. EUR 52.2 million of the revenue was derived from RNG-games. The positive revenue development within live casino mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for Live Casino games continues to grow, partly as a result of our continuous launch of new games and variations on traditional games. The number of bet spots from end users amounted to 17.2 billion (8.7).

### Revenue by game type

Group, EUR millions	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021
Live	115.1	128.3	140.0	159.7	183.7
RNG	49.0	54.2	49.3	49.6	52.2

The acquisition of NetEnt was completed on 1 December 2020 and is included in the consolidated financial statements from that date. Thus, in the above table, the RNG revenue is the equivalent to the reported revenue for NetEnt for the first three quarters during 2020. Reported amounts in SEK are converted with SEK/EUR 10.56. The reported revenues October–December 2020 for Evolution Group amounted to EUR 177.7 million, including EUR 17.8 million from NetEnt.

### Expenses

Operating expenses amounted to EUR 94.2 million (58.0). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios and the expansion in general compared to the first quarter of 2020. The expansion has also increased other operating expenses compared with Q1 2020.

### Profitability

Operating profit amounted to EUR 141.6 million (57.1), corresponding to an increase of 148 percent. The operating margin was 60.1 percent (49.6). The EBITDA margin was 67.9 percent (55.7).

Net financial items only had a marginal impact on profits and relates mostly to interest expenses for leasing. The Group's effective tax rate for the quarter amounted to 6.2 percent (5.0). The tax rate is influenced by the countries in which earnings are generated and may vary between reported periods. Profit for the period amounted to EUR 132.0 million (54.2). Earnings per share before dilution were EUR 0.62 (0.30).

### Investments

Investments in intangible assets amounted to EUR 6.2 million (2.7) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 7.0 million (4.7) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 101.8 million (38.1) during the quarter. Cash flow from investing activities was negative in the amount of EUR 15.4 million (negative 8.9). Cash flow from financing activities amounted to EUR 15.2 million (negative 6.8). Cash and cash equivalents amounted to EUR 326.0 million (204.9) at the end of the quarter.

## Market development

### Online Casino market

The global online casino market (Live & RNG) has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total global online casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the first quarter 68.5 percent (69.4) of the operators' GGR via Evolution's platform was generated by mobile devices. RNG is the largest vertical of the online casino market. However, to a large extent, growth is driven by Live Casino having grown in importance for most gaming operators and has become an integrated and strategically important product for them.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

Revenue per geographical region

Group, EUR millions	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021
Nordics	6.2	6.7	5.8	11.1	16.4
UK	9.9	10.6	9.5	13.9	21.4
Rest of Europe	59.8	62.4	65.6	81.1	104.1
Asia	20.8	28.2	34.8	41.9	53.2
North America	7.1	8.5	9.2	12.6	21.6
Other	11.4	12.1	15.1	17.1	19.1
<b>Total operating revenues</b>	<b>115.1</b>	<b>128.5</b>	<b>140.0</b>	<b>177.7</b>	<b>235.8</b>
Share of regulated markets	38%	33%	32%	36%	40%
Revenues, regulated markets	43.7	42.8	45.2	64.3	93.9

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the first quarter of 2021 amounted to EUR 4.6 million (2.2) and expenses to EUR 4.5 million (2.1). Operating profit amounted to EUR 115 thousand (60). Profit for the period amounted to EUR 88 thousand (30). The Parent Company's cash and cash equivalents amounted to EUR 39.1 million (93.9) at the end of the period and equity amounted to EUR 2,684 million (338.3). No significant investments were made in intangible or tangible assets.

### Employees

As of 31 March 2021, Evolution had 10,226 employees (8,240), corresponding to 7,174 (5,865) full-time positions. The average number of full-time equivalents for the quarter was 7,055 (5,739).

## Events following the balance sheet date

### Acquisition of Big Time Gaming

Evolution Gaming Group AB (publ) has entered into an agreement to acquire the entire issued share capital of Big Time Gaming Pty Ltd for a total consideration of up to EUR 450 million, payable in cash and Evolution shares. The total up-front consideration payable by Evolution in the Transaction is EUR 220 million. In addition, Evolution will pay earn-out payments, based on Big Time Gaming's EBITDA for the years 2022/23 and 2023/24, respectively. The earn-out payments will amount to a maximum of EUR 230 million, and become payable in 2023 and 2024, respectively.

The up-front consideration will be payable as to EUR 80 million in cash and the remainder in newly issued Evolution shares. The earn-out consideration will be payable 70 percent in cash and 30 percent in newly issued Evolution shares.

Big Time Gaming revenue amounted to EUR 33 million with an EBITDA of EUR 29 million for the calendar year 2020. The transaction is estimated to contribute positively to 2021 EPS for the Evolution Group and is expected to close in the second quarter 2021.

### Annual General Meeting

At the annual general meeting in Evolution Gaming Group AB (publ) on 16 April 2021, income statements and balance sheets for 2020 for the company and the group were adopted and it was resolved on, among

other things, a dividend of EUR 0.68 per share, discharge from liability for the board members and the managing director, re-election of the board members and the chairman of the board, authorisation for acquisition and transfer of own shares, authorisation for the board of directors to issue shares, warrants and convertible debt as well as authorisation for the board of directors to re-purchase warrants.

The AGM also resolved on amendment to the articles of association so that the registered name of the company is changed to Evolution AB (publ).

#### **Significant risks and uncertainties**

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2020, which is available on the company's website.

#### **Upcoming report dates**

Interim report January-June 2021	21 July 2021
Interim report January-September 2021	28 October 2021
Year-end report 2021	February 2022

#### **Review**

This interim report has not been reviewed by the company's auditors.

# **EXHIBIT 18**



## Interim report | January–June 2021 | Evolution AB (publ)

### Second quarter of 2021 (Q2 2020)

- Operating revenues increased by 100% to EUR 256.7 million (128.3)
- EBITDA increased by 115% to EUR 174.7 million (81.1), corresponding to a margin of 68.0% (63.2)
- Profit for the period amounted to EUR 144.4 million (70.4)
- Earnings per share amounted to EUR 0.68 (0.39)

### January–June 2021 (1H 2020)

- Operating revenues increased by 102% to EUR 492.5 million (243.5)
- EBITDA increased by 130% to EUR 334.8 million (145.3), corresponding to a margin of 68.0% (59.7)
- Profit for the period amounted to EUR 276.4 million (124.6)
- Earnings per share amounted to EUR 1.30 (0.69)

### Events during the second quarter of 2021

- Continued high demand for Live Casino +59% growth YoY
- Announced acquisition of Big Time Gaming closed on June 30<sup>th</sup>
- After the end of the period, the new Michigan studio was approved and is ready for launch

### Summary of the second quarter and first six months of 2021

Group, EUR thousands	Apr-Jun 2021	Apr-Jun 2020	%	Jan-Jun 2021	Jan-Jun 2020	%	Jul 2020- Jun 2021	Jan-Dec 2020	%
Operating revenues	256,687	128,307	100%	492,528	243,456	102%	810,206	561,134	44%
EBITDA	174,668	81,143	115%	334,793	145,266	130%	521,740	332,213	57%
EBITDA margin	68.0%	63.2%	-	68.0%	59.7%	-	64.4%	59.2%	-
EBITDA excluding items affecting comparability	174,668	81,143	115%	334,793	145,266	130%	541,126	351,599	54%
Adjusted EBITDA-margin	68.0%	63.2%	-	68.0%	59.7%	-	66.8%	62.7%	-
Operating profit	155,852	74,166	110%	297,500	131,291	127%	465,909	299,700	55%
Operating margin	60.7%	57.8%	-	60.4%	53.9%	-	57.5%	53.4%	-
Profit for the period	144,406	70,445	105%	276,444	124,641	122%	436,425	284,622	53%
Profit margin	56.3%	54.9%	-	56.1%	51.2%	-	53.9%	50.7%	-
Earnings per share before dilution, EUR	0.68	0.39	75%	1.30	0.69	89%	2.19	1.55	41%
Equity per share, EUR	14.07	1.78	690%	14.07	1.78	690%	14.07	12.84	10%
OCF per share before dilution, EUR	0.59	0.52	14%	1.79	0.73	146%	1.90	1.72	11%
Average number of FTEs	7,653	4,211	82%	7,379	4,848	52%	6,216	4,894	27%

For more information, please contact:  
Jacob Kaplan, CFO  
[ir@evolution.com](mailto:ir@evolution.com)

Visit and follow Evolution:  
[www.evolution.com](http://www.evolution.com)  
[www.twitter.com/EvolutionIR](http://www.twitter.com/EvolutionIR)

Evolution develops, produces, markets and licenses fully integrated B2B Online Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 500+ operators among its customers. The group currently employs 11,000+ people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit [www.evolution.com](http://www.evolution.com) for more information. Evolution is licensed and regulated by the Malta Gaming Authority under license MGA/B2B/187/2010. Evolution is also licensed and regulated in many other jurisdictions such as the United Kingdom, Belgium, Canada, Romania, South Africa, and others.

## CEO's comments

Our strong development continued during the second quarter, we see very strong top-line growth and good momentum for Evolution. Revenues in the second quarter increased by 100 percent compared to the second quarter of 2020 to EUR 256.7 million. EBITDA increased to EUR 174.7 million, an increase of 115 percent and corresponding to a margin of 68 percent. We are in the middle of reshaping our RNG road map and revenues in the RNG business increased slightly from the first quarter this year but declined by 2 percent compared to Q220. I expect the year-on-year RNG-growth to improve in the coming quarters this year. The Live Casino business continues to see exceptional world-wide demand and grew with 59 percent compared to Q220. It is good to see Live Casino continue to deliver such a high growth rate yet another quarter. I am happy with the performance in the second quarter but as always we can do better and should always strive to do more.

Our EBITDA margin reached a new high level during the first quarter this year, a level that we maintained this quarter and I expect to maintain also during the rest of the year. Strong demand contributed to the margin development in the quarter, but as we have stated several times, in a trade-off situation between margins and growth, we will always go for long-term growth.

As always, we continue to put great focus on products and innovation in both our verticals with the ambition to continuously recharge our product offering. The flawless end-user experience together with entertaining, innovative games is the core of Evolution. Evolution's ambition is not only to continuously develop new unique games, but also to launch incremental improvements to our existing titles to enhance the player experience to perfection in every detail. In Live Casino securing long-term quality through continuous improvements is essential in our ambition to increase the gap to competition. In the quarter we have for example made a revolutionizing new version of our Baccarat game which we hope will be the new way of playing Baccarat all over the world. Also the Game Show category will see new titles during the second half of this year. We are developing the category with games that engage the players with more entertainment and more control for the player. We believe this is a way to broaden the category even further to yet new types of players.

As I write this one of our biggest slot-launches this year - Starburst XXXtreme - has just reached players. The slot is a sequel to NetEnt's flagship title, the iconic Starburst launched back in 2013. We believe this boosted sequel will really take the player experience to a completely new level. The joint product team combining the creative talents from NetEnt with Evolution alike, is now also coming up to speed and I look forward to seeing what the joint team will deliver in terms of continued revenue synergies.

At the end of the second quarter, Evolution also completed the acquisition of Big Time Gaming, announced in April. The acquired business, with its portfolio of slot brands and game mechanics, will be fully consolidated from the third quarter 2021. We all very much look forward to start working on what we can do together with BTG.

As stated at the top we continue to see increased demand for online casino globally. Our products are global, and our long-term ambition is to be the global market leader. We want to re-shape the Online Casino market in the world. It is that simple. The expansion potential lies in both existing geographies and in new markets. This quarter we have expanded in the UK through an agreement with the gaming operator Entain for online games on the Ladbrokes, Coral and Gala platforms. In the US new markets open up state by state. Our Michigan studio is approved and ready for launch, it will be the 3<sup>rd</sup> studio we operate in the US.

We have high demand on expansion and we will continue to invest both in existing studios as well as new studios both in North America as well as in Europe. During 2021 we will add two new delivery hubs in Europe. Coming into 2022 we see expansion and investment in studios continuing in current locations but also in new markets like Latin America. Still, the pandemic continues to impact our expansion plans and we continue to follow guidelines set by the countries where we are active. The overall situation is improving but it is still very hard and the pandemic is not over.

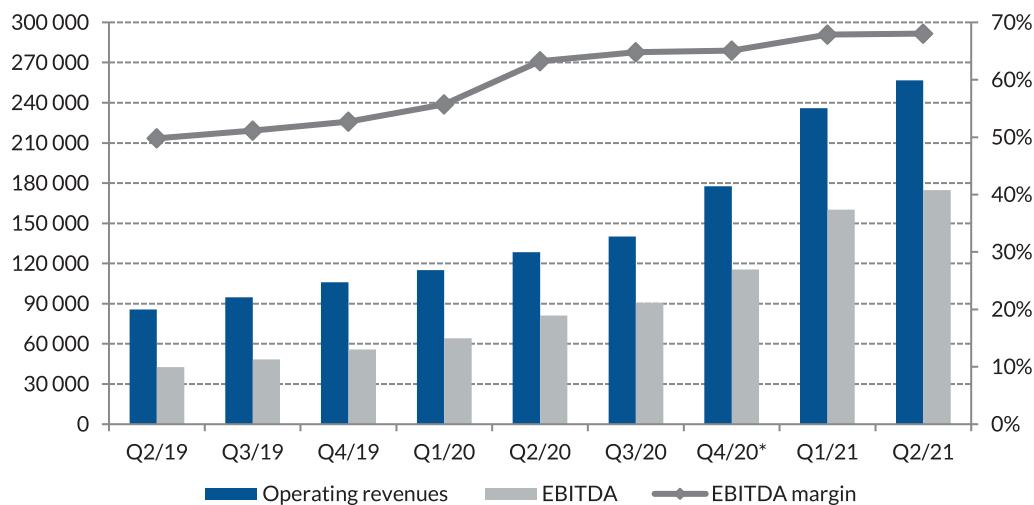


This quarter we announced a partnership with Scientific Games to bring our Lightning Roulette game to land-based casinos. This will be the first Evolution game to be launched in land-based casinos. We're happy to be able to offer the game, which is very popular with online players, also in a land-based environment. In the near-term I see it mainly as a way to continue to build trust and strengthen our relationship with casino players across the globe.

It is a very active time within the company right now. I very much look forward to the second half of the year, and to continue to widen the gap to competitors. We remain ever as paranoid, only by working hard to improve our offering step-by-step, day by day - every day can we reach our goals.

**Martin Carlesund**  
CEO

Quarterly results trend



\*Q4/20 adjusted for non-recurring items

## Financial performance in the second quarter of 2021

### Revenues

Revenues amounted to EUR 256.7 million (128.3) in the second quarter, equivalent to an increase of 100 percent compared with the corresponding period in 2020. EUR 53.0 million (-) of the revenue was derived from RNG-games. The positive revenue development mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for online casino games continues to grow, partly as a result of our continuous launch of new games and variations on traditional games. The number of bet spots from end users amounted to 17.5 billion (11.9).

### Revenue by game type

Group, EUR million	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021
Live	115.1	128.3	140.0	159.7	183.7	203.7
RNG	49.0	54.2	49.3	49.6	52.2	53.0

The acquisition of NetEnt was completed on 1 December 2020 and is included in the consolidated financial statements from that date. Thus, in the above table, the RNG revenue is the equivalent to the reported revenue for NetEnt for the second and third quarters during 2020. Reported amounts in SEK are converted with SEK/EUR 10.56. The reported revenues October-December 2020 for Evolution Group amounted to EUR 177.7 million, including EUR 17.8 million from NetEnt.

### Expenses

Operating expenses amounted to EUR 100.8 million (54.1). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios and the expansion in general compared to the second quarter of 2020. The expansion has also increased other operating expenses compared with Q2 2020.

### Profitability

Operating profit amounted to EUR 155.9 million (74.2), corresponding to an increase of 110 percent. The operating margin was 60.7 percent (57.8). The EBITDA margin was 68.0 percent (63.2).

Net financial items only had small impact on profits and related mostly to leasing interest expense and currency exchange differences. The Group's effective tax rate for the quarter amounted to 5.7 percent (4.9). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the period amounted to EUR 144.4 million (70.4). Earnings per share before dilution were EUR 0.68 (0.39).

### Investments

Investments in intangible assets amounted to EUR 7.1 million (3.4) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 5.2 million (4.9) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 125.3 million (93.6) during the quarter. Cash flow from investing activities was negative in the amount of EUR 107.5 million (negative 8.7) and included investment in subsidiaries of EUR 94.2 million. Cash flow from financing activities was negative in the amount of EUR 142.8 million (negative 77.4) and included dividend to shareholders of EUR 144.4 million (76.1). Cash and cash equivalents amounted to EUR 200.4 million (212.0) at the end of the quarter.

## First half of 2021 in brief

### Revenues

For the January-June 2021 period, revenues amounted to EUR 492.5 million (243.5), corresponding to an increase of 102 percent compared with the same period in 2020. EUR 105.2 million (-) of the revenue was derived from RNG-games. The positive revenue development within live casino mainly derives from increased commission income from both new and existing customers.

### Expenses

Operating expenses amounted to EUR 195.0 million (112.2). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios. The strong expansion has also increased other operating expenses compared with the previous year.

### Profitability

Operating profit amounted to EUR 297.5 million (131.3) with an operating margin of 60.4 percent (53.9). The EBITDA margin was 68.0 percent (59.7).

### Investments

Investments in intangible assets amounted to EUR 13.4 million (6.1) for the period. Investments in property, plant and equipment amounted to EUR 12.1 million (9.6). Investments in other financial assets amounted to EUR 0.9 (0.5).

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 227.1 million (131.7) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 122.9 million (negative 17.6) and included investment in subsidiaries of EUR 96.5 million. Cash flow

from financing activities was negative in the amount of EUR 127.6 million (negative 84.2) and included dividend to shareholders of EUR 144.4 million (76.1).

## Market development

### Online Casino market

The global online casino market (Live & RNG) has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total global online casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the second quarter 68.95 percent (67.02) of the operators' GGR via Evolution's platform was generated by mobile devices. RNG is the largest vertical of the online casino market. However, to a large extent, growth is driven by Live Casino having grown in importance for most gaming operators and has become an integrated and strategically important product for them.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

Revenue per geographical region

Group, EUR million	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021
Nordics	6.7	5.8	11.1	16.4	16.4
UK	10.6	9.5	13.9	21.4	19.8
Rest of Europe	62.4	65.6	81.1	104.1	104.0
Asia	28.2	34.8	41.9	53.2	65.7
North America	8.5	9.2	12.6	21.6	27.2
Other	12.1	15.1	17.1	19.1	23.5
<b>Total operating revenue</b>	<b>128.5</b>	<b>140.0</b>	<b>177.7</b>	<b>235.8</b>	<b>256.7</b>
Share of regulated markets	33%	32%	36%	40%	40%
Revenue, regulated markets	42.8	45.2	64.3	93.9	102.9

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the second quarter of 2021 amounted to EUR 4.9 million (1.8) and expenses to EUR 4.6 million (1.9). Operating profit amounted to EUR 331 thousand (negative 16). Profit for the period amounted of EUR 342 thousand (negative 18). The Parent Company's cash and cash equivalents amounted to EUR 17.2 million (15.1) at the end of the period and equity amounted to EUR 2,692.0 million (262.2). No significant investments were made in intangible or tangible assets.

### Employees

As of 30 June 2021, Evolution had 11,311 employees (6,764), corresponding to 7,835 (4,060) full-time positions. The average number of full-time equivalents for the quarter was 7,653 (4,211).

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2020, which is available on the company's website.

### Upcoming report dates

Interim report January-September 2021	28 October 2021
Year-end report 2021	February 2022

### Review

This interim report has not been reviewed by the company's auditor.

Stockholm, 21 July 2021

**Martin Carlesund**  
CEO

For further information, please contact CFO Jacob Kaplan, +46 708 62 33 94, [ir@evolution.com](mailto:ir@evolution.com).

Evolution AB (publ)	e-mail: <a href="mailto:ir@evolution.com">ir@evolution.com</a>
Hamngatan 11	Website: <a href="http://www.evolution.com">www.evolution.com</a>
SE-111 47 Stockholm, Sweden	Corporate ID: 556994-5792

### Presentation for investors, analysts and the media

CEO Martin Carlesund and CFO Jacob Kaplan will present the report and answer questions on Wednesday, 21 July 2021 at 09:00 a.m. CET via a telephone conference. The presentation will be in English and can also be followed online. Number for participation by telephone:

Dial-in number:

SE: +46 8 505 583 69      UK: +44 333 300 90 34      US: +1 646 722 49 02

Follow the presentation at: <https://tv.streamfabriken.com/evolution-gaming-group-q2-2021>

*This information is such that Evolution AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the contact person set out above, on 21 July 2021, at 07:30 am CET.*

# **EXHIBIT 19**



## Interim report | January–September 2021 | Evolution AB (publ)

**Third quarter of 2021 (Q3 2020)**

- Operating revenues increased by 97% to EUR 276.0 million (140.0)
- EBITDA increased by 113% to EUR 192.9 million (90.7), corresponding to a margin of 69.9% (64.8)
- Profit for the period amounted to EUR 157.4 million (79.4)
- Earnings per share amounted to EUR 0.73 (0.44)

**January–September 2021 (9M 2020)**

- Operating revenues increased by 100% to EUR 768.5 million (383.5)
- EBITDA increased by 124% to EUR 527.7 million (236.0), corresponding to a margin of 68.7% (61.5)
- Profit for the period amounted to EUR 433.9 million (204.0)
- Earnings per share amounted to EUR 2.03 (1.12)

**Events during the third quarter of 2021**

- High demand for Live Casino generates a +53% growth YoY
- RNG revenue growth 7.9% compared to pro-forma Q3 2020
- Continued expansion in the US with opening of a new live casino studio in Michigan. After the end of the period launch of RNG-games in Connecticut with live games to follow.

**Summary of the third quarter and the first nine months of 2021**

Group, EUR thousands	Jul-Sep 2021	Jul-Sep 2020	%	Jan-Sep 2021	Jan-Sep 2020	%	Oct 2020- Sep 2021	Jan-Dec 2020	%
Operating revenues	276,016	140,020	97%	768,544	383,476	100%	946,202	561,134	69%
EBITDA	192,942	90,728	113%	527,735	235,994	124%	623,954	332,213	88%
EBITDA margin	69.9%	64.8%	-	68.7%	61.5%	-	65.9%	59.2%	-
EBITDA excluding items affecting comparability	192,942	90,728	113%	527,735	235,994	124%	643,340	351,599	83%
Adjusted EBITDA-margin	69.9%	64.8%	-	68.7%	61.5%	-	68.0%	62.7%	-
Operating profit	171,963	83,572	106%	469,463	214,863	118%	554,300	299,700	85%
Operating margin	62.3%	59.7%	-	61.1%	56.0%	-	58.6%	53.4%	-
Profit for the period	157,434	79,381	98%	433,878	204,022	113%	514,478	284,622	81%
Profit margin	57.0%	56.7%	-	56.5%	53.2%	-	54.4%	50.7%	-
Earnings per share before dilution, EUR	0.73	0.44	67%	2.03	1.12	81%	2.47	1.55	60%
Equity per share, EUR	14.76	2.20	570%	14.76	2.20	570%	14.76	12.84	15%
OCF per share before dilution, EUR	0.90	0.47	92%	1.97	1.19	65%	2.50	1.72	46%
Average number of FTEs	8,013	4,699	71%	7,587	4,867	56%	6,997	5,118	37%

**For more information, please contact:**  
Jacob Kaplan, CFO  
[ir@evolution.com](mailto:ir@evolution.com)

**Visit and follow Evolution:**  
[www.evolution.com](http://www.evolution.com)  
[www.twitter.com/EvolutionIR](http://www.twitter.com/EvolutionIR)

Evolution develops, produces, markets and licenses fully integrated B2B Online Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 500+ operators among its customers. The group currently employs 12,000+ people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit [www.evolution.com](http://www.evolution.com) for more information. Evolution is licensed and regulated by the Malta Gaming Authority under license MGA/B2B/187/2010. Evolution is also licensed and regulated in many other jurisdictions such as the United Kingdom, Belgium, Canada, Romania, South Africa, and others.

## CEO's comments

The third quarter this year has been another quarter of extremely high activity within Evolution. The expansion of our business at the current speed is simply put - hard work - and I want to start these comments by thanking everyone in Evolution for great work during this period, without your effort and commitment the achieved financial results would not be possible.

The result for the third quarter 2021 has once again proven that our strategy to focus on the entertainment of the end-users and seamless and flawless experience is successful. Revenues in the third quarter increased by 97 percent to EUR 276 million, while the EBITDA increased to EUR 192.9 million. The EBITDA corresponds to a margin of 69.9 percent, exceeding our guidance for 2021.

Top-line growth is driven by very strong global demand for Live Casino but also impacted positively from our increased RNG business. Live Casino revenue growth was 53.2 percent compared to Q3 2020, which is higher than the pre-pandemic growth rate levels, showing that many of our newer players are staying in the network. RNG growth was 7.9 percent compared to pro-forma figures of Q3 2020 for NetEnt and BTG. Big Time Gaming, which was fully consolidated into our results in the third quarter, contributed with EUR 10.6 million in revenue. BTG stand-alone is growing at a rate of over 30 percent in the quarter, compared to their corresponding quarter in 2020. Our NetEnt and Red Tiger brands show growth of about 3 percent compared to the same quarter 2020 and while this development is in line with our expectations, our ambition for our NetEnt and Red Tiger brands is to deliver stronger growth moving into 2022.

As I have mentioned earlier this year, we are in the process of reshaping our RNG business. This year we have both re-structured the product roadmap and also re-built the complete technical platform for NetEnt. We are right now rolling out our updated integration for casino, One Stop Shop (OSS), towards customers which enables operators to reach all our existing content from one single integration and ensures that access to future Evolution content will go seamless and fast world-wide. This is a major step for both us and our customers but even more so for all our end users who will get more fantastic Evolution content. One side-effect of this total technical make-over has been fewer new game releases in 2021.

As always, we continue to develop our portfolio of games. While our game shows, including successful wheel-based games such as Monopoly Live and Crazy Time, continue to attract players, we continue to broaden the audience for the game show category. Our new bouncing ball game - Cash or Crash - adds strategic and decision-making features in a game show style game. This game is all about player choice and the ability for the player to control the outcome. We also launched Fan Tan - a fresh twist on the beautiful traditional Asian bead game.

Besides adding new unique games, it's absolutely crucial to constantly enhance the end-user experience and entertainment value through enhanced and innovative user interfaces. Reduce all small bottlenecks and make it seamless. During the quarter, we launched an improved user interface to our traditional Blackjack game, through a new zooming feature in portrait mode. This clearly improves the gaming experience further.

The aim with all our offerings is to excite and entertain players with the best possible choice of world-class gaming. We are committed to creating the most immersive and exciting gaming experiences available.

The North American online casino market continues to develop rapidly in both US and Canada. In Michigan, where we introduced our portfolio of NetEnt games in the beginning of the year, we launched our live casino in the beginning of the quarter. The studio is off to a very good start and this best-in-class offering is yet another enabler of growth in the US market. After the end of the period we were first to the market with our slot games in Connecticut. We expect Live games to follow soon, Connecticut will be the 4th studio we operate in the US. Also after the end of the period we launched our live and RNG games with the Ontario Lottery and Gaming Corporation, it will be the 4<sup>th</sup> province in Canada to go live from our Canadian studio.



Ongoing studio projects include new studios in Madrid and Yerevan. This quarter, a lot of business focus has been centred around investing and establishing new studios. As always, expansion potential lies in existing markets, as well as new geographies and we will, as a natural part of our business, continue to expand and invest in existing studios both in North America and other regions at the same level as earlier.

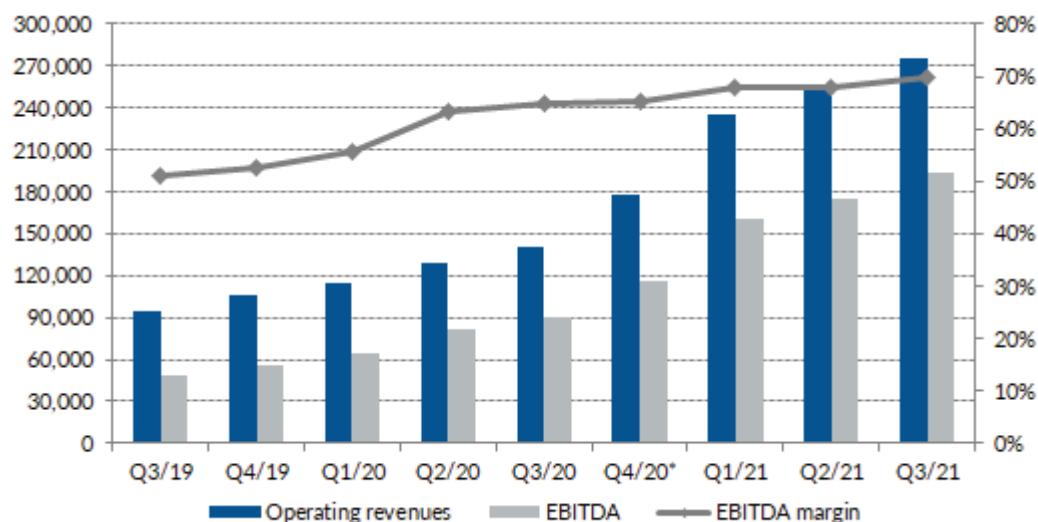
Also, during the past quarter, we signed an agreement to acquire DigiWheel in an all-cash deal. DigiWheel's technology is exciting, innovative and unique and will be blended into our online Live Casino games and game shows. The ambition is to launch new games in 2022 using this technology.

As stated, our ambition is to continue to strengthen our leading position in the online casino market. One of the corner stones which allows us to increase the gap to our competitors even further is through product innovation. In February, as things are getting back to normal, it is once again time for ICE in London. I am already now very excited about presenting our 2022 road-map.

We are now well on our way into an exciting and very hectic last quarter and we have had strong start to the fourth quarter so far. New games to release, new studios to build, OSS to be rolled out and great new Evolutioneers to recruit at the same time as all of us already here need to focus hard on what we can do better, what we can do to make Evolution a little bit better every day.

**Martin Carlesund**  
CEO

Quarterly results trend



\*Q4/20 adjusted for non-recurring items

## Financial performance in the third quarter of 2021

### Revenues

Revenues amounted to EUR 276.0 million (140.0) in the third quarter, equivalent to an increase of 97 percent compared with the corresponding period in 2020. EUR 61.5 million (-) of the revenue was derived from RNG-games. The positive revenue development within online casino mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for online casino games continues to grow, partly as a result of our continuous launch of successful new games and variations on traditional games. The number of bet spots from end users amounted to 18.1 billion (12.9).

### Revenue by game type

Group, EUR million	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021
<b>Live</b>	140.0	159.9	183.7	203.7	214.5
<b>RNG, as reported</b>	-	17.8	52.2	53.0	61.5
<b>Total</b>	140.0	177.7	235.8	256.7	276.0
<b>RNG NetEnt/BTG, pro-forma</b>	57.0	57.5	61.2	61.7	-

NetEnt and Big Time Gaming are included in the consolidated financial statements from 1 December 2020 and 1 July 2021 respectively. The RNG revenue for July-September 2020 is the equivalent to the reported revenue for NetEnt for the third quarter during 2020 with the addition of the BTG-revenue for that quarter. The reported revenues October-December 2020 for Evolution amounted to EUR 177.7 million, including EUR 17.8 million from NetEnt. NetEnt reported amounts in SEK are converted with SEK/EUR 10.56.

### Expenses

Operating expenses amounted to EUR 104.1 million (56.4). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios and the expansion in general compared to the third quarter of 2020. The expansion has also increased other operating expenses compared with Q3 2020.

### Profitability

Operating profit amounted to EUR 172.0 million (83.6), corresponding to an increase of 106 percent. The operating margin was 62.3 percent (59.7). The EBITDA margin was 69.9 percent (64.8).

Net financial items only had small impact on profits and related mostly to leasing interest expenses and currency exchange differences. The Group's effective tax rate for the quarter amounted to 7.1 percent (5.0). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the quarter amounted to EUR 157.4 million (79.4). Earnings per share before dilution were EUR 0.73 (0.44).

### Investments

Investments in intangible assets amounted to EUR 5.3 million (2.8) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 7.3 million (7.5) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 193.4 million (84.7) during the quarter. Cash flow from investing activities was negative in the amount of EUR 9.8 million (negative 10.6). Cash flow from financing activities amounted to EUR 6.9 million (negative 1.3) and included cash received in new share issue related to incentive programmes of EUR 23.2 million. Cash and cash equivalents amounted to EUR 391.9 million (283.2) at the end of the quarter.

## First nine months of 2021 in brief

### Revenues

For the January-September 2021 period, revenues amounted to EUR 768.5 million (383.5), corresponding to an increase of 100 percent compared with the same period in 2020. EUR 166.7 million (-) of the revenue was derived from RNG-games. The positive revenue development within online casino mainly derives from increased commission income from both new and existing customers.

### Expenses

Operating expenses amounted to EUR 299.1 million (168.6). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios. The strong expansion has also increased other operating expenses compared with the previous year.

### Profitability

Operating profit amounted to EUR 469.5 million (214.9) with an operating margin of 61.1 percent (56.0). The EBITDA margin was 68.7 percent (61.5).

### Investments

Investments in intangible assets amounted to EUR 19.9 million (8.9) for the period. Investments in property, plant and equipment amounted to EUR 19.5 million (17.1). Investments in other financial assets amounted to EUR 1.2 million (0.9).

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 420.5 million (216.4) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 132.7 million (negative 28.3) and included investment in subsidiaries of EUR 92.2 million (1.4). Cash flow from financing activities was negative in the amount of EUR 120.7 million (negative 85.5) and included dividend to shareholders of EUR 144.4 million (76.1).

## Market development

### Online Casino market

The global online casino market (Live & RNG) has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total global online casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the third quarter 69.7 percent (69.7) of the operators' GGR via Evolution's platform was generated by mobile devices. RNG is the largest vertical of the online casino market. However, to a large extent, growth is driven by Live Casino having grown in importance for most gaming operators and has become an integrated and strategically important product for them.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

*Revenue per geographical region*

Group, EUR million	Jul-Sep 2020	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021
Nordics	5.8	11.1	16.4	16.4	19.5
UK	9.5	13.9	21.4	19.8	19.1
Rest of Europe	65.6	81.1	104.1	104.0	103.2
Asia	34.8	41.9	53.2	65.7	76.7
North America	9.2	12.6	21.6	27.2	31.9
Other	15.1	17.1	19.1	23.5	25.6
<b>Total operating revenue</b>	<b>140.0</b>	<b>177.7</b>	<b>235.8</b>	<b>256.7</b>	<b>276.0</b>
Share of regulated markets	32%	36%	40%	40%	38%
Revenue, regulated markets	45.2	64.3	93.9	102.9	103.8

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the third quarter of 2021 amounted to EUR 4.8 million (2.5) and expenses to EUR 4.2 million (2.4). Operating profit amounted to EUR 0.6 million (0.1). Result for the period amounted to EUR 0.5 million (0.1). The Parent Company's cash and cash equivalents amounted to EUR 25.2 million (11.9) at the end of the period and equity amounted to EUR 2,703.2 million (262.2). No significant investments were made in intangible or tangible assets.

### Employees

As of 30 September 2021, Evolution had 12,289 employees (7,395), corresponding to 8,091 full-time positions (5,054). The average number of full-time equivalents for the quarter was 8,013 (4,699).

### Events following the balance sheet date

As of 1<sup>st</sup> October, the Netherlands opened its regulated online gambling market. Initially ten operators were awarded a license from the Dutch Gaming Authority. Evolution has launched its live casino and RNG games with several of the licensed operators including Nederlandse Loterij. We expect several of our current customers in other markets to also receive licenses in the Netherlands during 2022. Due to the limited number of licenses initially awarded, we expect a negative effect of less than 1 percent on group revenue in the fourth quarter compared to the third quarter. The market is off to a very good start and in the long-term we see potential for continued growth in the Netherlands.

In October, Evolution, with its NetEnt and Red Tiger slot games, was the first provider to launch in the newly opened market in Connecticut. We are currently building our fourth US studio in Connecticut and live casino games will be added to the offering as soon as possible.

After the end of the period we launched in Ontario, Canada in partnership with Ontario Lottery and Gaming Corporation (OLG). OLG is the fourth Canadian province to partner with Evolution, joining British Columbia, Alberta and Québec in streaming live games from Evolution's Vancouver studio. The Ontario market is planned to open for other commercial licensees later this year.

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2020, which is available on the company's website.

**Calendar**

Year-end report 2021	9 February 2022
Annual General Meeting	8 April 2022
Interim report January – March 2022	28 April 2022
Interim report January – June 2022	21 July 2022
Interim report January – September 2022	27 October 2022

Stockholm, 28 October 2021

**Martin Carlesund**

**CEO**

For further information, please contact CFO Jacob Kaplan, +46 708 62 33 94 or Head of IR Carl Linton, +46 705 08 85 75, [ir@evolution.com](mailto:ir@evolution.com).

Evolution AB (publ)	e-mail: <a href="mailto:ir@evolution.com">ir@evolution.com</a>
Vasagatan 16	Website: <a href="http://www.evolution.com">www.evolution.com</a>
SE-111 20 Stockholm, Sweden	Corporate ID: 556994-5792

**Presentation for investors, analysts and the media**

CEO Martin Carlesund and CFO Jacob Kaplan will present the report and answer questions on Thursday, 28 October 2021 at 09:00 a.m. CET via a telephone conference. The presentation will be in English and can also be followed online. Number for participation by telephone:

SE: +46 8 505 583 56                    UK: +44 33 330 092 71                    US: +1 646 722 49 56

Follow the presentation at: <https://tv.streamfabriken.com/evolution-gaming-group-q3-2021>

*This information is such that Evolution AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above on 28 October 2021, at 07:30 am CET.*

# **EXHIBIT 20**



## Year-end report | January–December 2021 | Evolution AB (publ)

### Fourth quarter of 2021 (Q4 2020)

- Operating revenues increased by 69% to EUR 300.2 million (177.7)
- EBITDA increased by 115% to EUR 206.9 million (96.2), corresponding to a margin of 68.9% (54.2)
- Profit for the period amounted to EUR 171.6 million (80.6)
- Earnings per share amounted to EUR 0.80 (0.42)

### Full-year 2021 (2020)

- Operating revenues increased by 90% to EUR 1,068.8 million (561.1)
- EBITDA increased by 121% to EUR 734.7 million (332.2), corresponding to a margin of 68.7% (59.2)
- Profit for the year amounted to EUR 605.4 million (284.6)
- Earnings per share amounted to EUR 2.83 (1.55)
- The Board proposes a dividend of EUR 1.42 per share (0.68)

### Events during the fourth quarter of 2021

- Rising demand and good leverage from investments generated a growth rate of 49% for Live casino and 9.4% for RNG compared to pro-forma Q4 2020.
- EVO reached +1,000 Live Tables by the end of the period.
- Initiation of a share repurchase program. In the quarter a total of 1,158,865 own shares were acquired.

### Summary of the fourth quarter and the full-year 2021

Group, EUR thousands	Oct-Dec 2021	Oct-Dec 2020	%	Jan-Dec 2021	Jan-Dec 2020	%
Operating revenues	300,233	177,658	69%	1,068,777	561,134	90%
EBITDA	206,915	96,219	115%	734,650	332,213	121%
EBITDA margin	68.9%	54.2%	-	68.7%	59.2%	-
EBITDA excluding items affecting comparability	206,915	115,605	79%	734,650	351,599	109%
Adjusted EBITDA-margin	68.9%	65.1%	-	68.7%	62.7%	-
Operating profit	184,541	84,837	118%	654,004	299,700	118%
Operating margin	61.5%	47.8%	-	61.2%	53.4%	-
Profit for the period	171,557	80,600	113%	605,435	284,622	113%
Profit margin	57.1%	45.4%	-	56.6%	50.7%	-
Earnings per share before dilution, EUR	0.80	0.42	90%	2.83	1.55	83%
Equity per share, EUR	14.91	12.84	16%	14.91	12.84	16%
OCF per share before dilution, EUR	0.83	0.52	60%	2.80	1.72	63%
Average number of FTEs	8,707	5,731	52%	7,917	5,118	55%

**For more information, please contact:**  
Jacob Kaplan, CFO  
[ir@evolution.com](mailto:ir@evolution.com)

**Visit and follow Evolution:**  
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## CEO's comments

The fourth quarter 2021, with continued top-of-the-line results, reflects the strength in our scalable business model and the value of our strategy to focus on the player experience.

Revenues in the fourth quarter increased by 69 percent to EUR 300 million, while the EBITDA increased to EUR 207 million corresponding to an EBITDA margin of 68.9 percent. Top-line growth continued to be driven by strong global demand for Live Casino, but also positively impacted by the increased revenue from the RNG business. Live Casino revenue continued on a high level and increased by 48.6 percent year-on-year. This compares well to the pre-pandemic growth rates of our Live business.

RNG revenue was slightly above plan and increased by 9 percent compared to the pro-forma figures of Q4 2020. Supported by new games and our one-stop-shop (OSS) solution which allows operators to access our games through one integration. Our ambition is to deliver stronger growth in RNG during 2022 compared to 2021 however the path to higher growth will not be linear and I expect the growth rate to vary through the coming quarters.

EBITDA margin is 68.9 percent for the quarter and 68.7 percent for the full year. This is in line with our guidance for the year. Margin has been relatively stable through 2021 and I consider this an achievement in a year of such strong expansion. For 2022 we expect to continue to invest heavily in expanding existing studios, in building new studios and in game innovation. With this said, for full year 2022 we expect the EBITDA margin to be in the 69%-71% range.

Towards the end of the quarter, a dubious, anonymous and falsified report with the clear intention to harm Evolution was published. We have over 15 years experience of operations in regulated environments and we are comfortable and confident in our ways of working, our business model as well as in our constant strive to improve in all areas. Evolution is a content provider and we only supply to licensed customers. With the ambition to be even better we will continue to work on all processes in relation to due diligence of our customers and their licensing and regulatory framework. The measures we have taken during the quarter have had insignificant financial effect.

2022 is the year of product and innovation! Yesterday during our world-wide online product launch event we released a record number of products. In total Evolution will release 88 (!) new games 2022. We are with those fantastic new games, in all different categories, together with the one-stop-shop (OSS) showing our customers the true benefit and power of Evolution's ambition and innovation only aimed toward a true end-user satisfaction. Our pipeline for 2022 is filled with both new takes on player's favorites and complete surprises using the power of all our different brands. Among the releases in the first quarter are 'BacBo' - a simplified version of Baccarat with a unique twist: it's played with dice, not cards. Also in Q1 - 'Peek Baccarat' a unique version of the classic game. During the first half of the year we will also launch big new slot games like NetEnt's Knight Rider and Red Tiger's Narcos Mexico. I am very excited of the product roadmap 2022 and truly grateful for all brilliant efforts put into the products by all Evolution teams.

The strong demand for online casino across the globe continued in the fourth quarter, and our expansion in studio capacity is set to follow suit. We exit 2021 with over 1,000 live tables, an increase of over 300 tables during the year, the largest increase in a single year. This dramatic expansion would have been an accomplishment under normal circumstances, but taking into account the challenges posed by the pandemic, I am very proud. It is a testament to the talent, capability and determination that characterizes the global Evolution team.

The North American online casino market continues to develop rapidly, we see great growth opportunity in all the current regulated states and are expanding all our studios. The next new studio to be launched will be Connecticut in 2022. In the quarter we also strengthened our position in Canada by signing with the provincial lottery and gaming agency, Ontario Lottery and Gaming Corporation (OLG).

In Argentina, we went live with operator BetWarrior and launched our live casino games portfolio in the newly regulated Buenos Aires Province online gaming market. Evolution was the first live casino provider in this market.



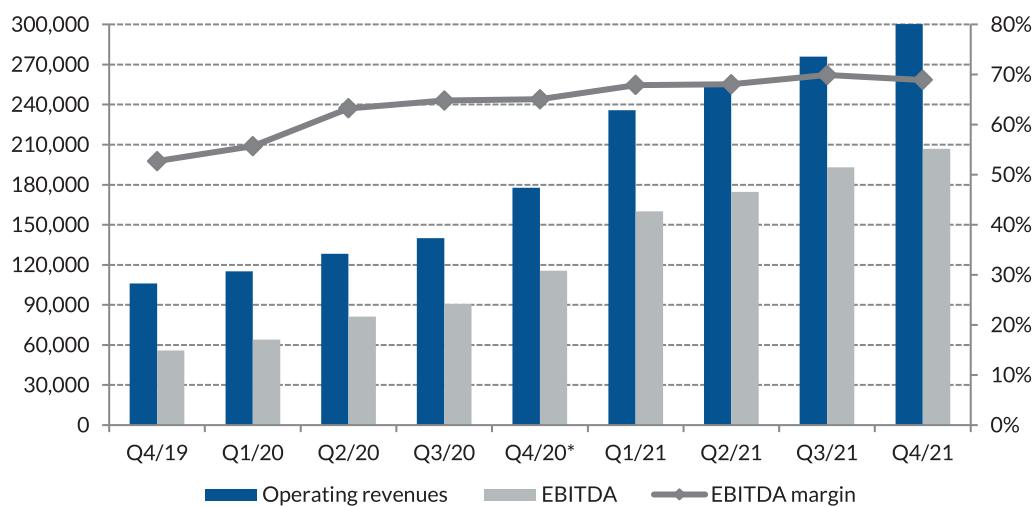
In Asia, where growth continued at a proficient level, our Red Envelop feature for Baccarat, a tailored game for the Asian market, was a growth driver in the quarter. This is an example of how our aim of providing the best player experience comes with adding a regional touch to the games.

The more mature European market has lower growth numbers, impacted to some extent by short-term regulatory changes affecting operators. In the quarter, the Netherlands opened its regulated online gambling market and we are powering several of the licensed operators with our offering. We expect the Dutch market to expand further as the number of licenses increase during 2022 and already in December the newly regulated market passed the pre-regulation levels.

To sum up the last quarter of another intense year - we continue to move full speed ahead. Yesterday's 2022 product roadmap announcement set the tone for what will be an exciting product year where we will continue our relentless focus to take the player experience to the next level and increase the gap to competitors. Finally, looking back at 2021, a year where several important milestones have been accomplished, I want to take this opportunity to thank and acknowledge the commitment and impressive work from all Evolution employees, who continue to strive to make Evolution just a little bit better, every day. It is an amazing global team and I look forward to an exciting 2022.

**Martin Carlesund**  
CEO

*Quarterly results trend*



## Financial performance in the fourth quarter of 2021

### Revenues

Revenues amounted to EUR 300.2 million (177.7) in the fourth quarter, equivalent to an increase of 69 percent compared with the corresponding period in 2020. EUR 62.9 million (17.8) of the revenue was derived from RNG-games. The positive revenue development within online casino mainly derives from increased commission income from existing customers and, to a certain extent, from new customers.

Demand for online casino games continues to grow, partly as a result of our continuous launch of new games and variations on traditional games. The number of bet spots from end users amounted to 20.9 billion (15.3).

### Revenue by game type

Group, EUR million	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021
Live	159.9	183.7	203.7	214.5	237.4
RNG, as reported	17.8	52.2	53.0	61.5	62.9
<b>Total</b>	<b>177.7</b>	<b>235.8</b>	<b>256.7</b>	<b>276.0</b>	<b>300.2</b>
<b>RNG NetEnt/BTG, pro-forma</b>	<b>57.5</b>	<b>61.2</b>	<b>61.7</b>	<b>-</b>	<b>-</b>

NetEnt and Big Time Gaming are included in the consolidated financial statements from 1 December 2020 and 1 July 2021 respectively.

### Expenses

Operating expenses amounted to EUR 115.7 million (92.8). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios and the expansion in general compared to the fourth quarter of 2020. The expansion has also increased other operating expenses compared with Q4 2020.

### Profitability

Operating profit amounted to EUR 184.5 million (84.8), corresponding to an increase of 118 percent. The operating margin was 61.5 percent (47.8). The EBITDA margin was 68.9 percent (54.2). EBITDA 2020 included non-recurring items of EUR 19.4 million, adjusted EBITDA margin was 65.1 percent.

Net financial items only had small impact on profits and related mostly to leasing interest expenses and currency exchange differences. The Group's effective tax rate for the quarter amounted to 6.9 percent (4.1). The tax rate is influenced by the countries in which earnings are generated, which may vary between reported periods. Profit for the quarter amounted to EUR 171.6 million (80.6). Earnings per share before dilution were EUR 0.80 (0.42).

### Investments

Investments in intangible assets amounted to EUR 8.4 million (4.8) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality. See Note 5 for information about acquisition of group companies.

Investments in property, plant and equipment amounted to EUR 13.9 million (6.2) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 178.4 million (99.6) during the quarter. Cash flow from investing activities was negative in the amount of EUR 22.3 million (35.1). Cash flow from financing activities was negative in the amount of EUR 127.9 million (negative 194.4) and includes buy back of own shares of EUR 123.3 million. 2020 included redemption of NetEnt's credit facilities of EUR 184.7 million. Cash and cash equivalents amounted to EUR 421.4 million (221.7) at the end of the quarter.

## Full-year 2021 in brief

### Revenues

For the January-December 2021 period, revenues amounted to EUR 1,068.8 million (561.1), corresponding to an increase of 90 percent compared with 2020. EUR 229.5 million (17.8) of the revenue was derived from RNG-games. The positive revenue development within online casino mainly derives from increased commission income from both new and existing customers.

### Expenses

Operating expenses amounted to EUR 414.8 million (261.4). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables and studios. The strong expansion has also increased other operating expenses compared with the previous year.

### Profitability

Operating profit amounted to EUR 654.0 million (299.7) with an operating margin of 61.2 percent (53.4). The EBITDA margin was 68.7 percent (59.2). EBITDA 2020 included non-recurring items of EUR 19.4 million, adjusted EBITDA margin was 62.7 percent.

### Investments

Investments in intangible assets amounted to EUR 28.3 million (13.6) for the year. Investments in property, plant and equipment amounted to EUR 33.3 million (23.3). Investments in other financial assets amounted to EUR 1.1 million (2.4). See Note 5 for information about acquisition of group companies.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 598.9 million (316.1) over the period. The increase is primarily due to improved profit. Cash flow from investing activities was negative in the amount of EUR 155.0 million (6.8). Cash flow from financing activities was negative in the amount of EUR 248.5 million

(negative 279.9) and included dividend to shareholders of EUR 144.4 million (76.1) and buy back of own shares of EUR 123.3 million (9.9). 2020 included redemption of NetEnt's credit facilities of EUR 184.7 million.

## Market development

### Online Casino market

The global online casino market (Live & RNG) has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total global online casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the fourth quarter 69.1 percent (70) of the operators' GGR via Evolution's platform was generated by mobile devices. RNG is the largest vertical of the online casino market. However, to a large extent, growth is driven by Live Casino having grown in importance for most gaming operators and has become an integrated and strategically important product for them.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

Revenue per geographical region

Group, EUR million	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021
Nordics	11.1	16.4	16.4	19.5	20.9
UK	13.9	21.4	19.8	19.1	21.0
Rest of Europe	81.1	104.1	104.0	103.2	105.6
Asia	41.9	53.2	65.7	76.7	90.8
North America	12.6	21.6	27.2	31.9	33.8
Other	17.1	19.1	23.5	25.6	28.0
<b>Total operating revenue</b>	<b>177.7</b>	<b>235.8</b>	<b>256.7</b>	<b>276.0</b>	<b>300.2</b>
Share of regulated markets	36%	40%	40%	38%	41%
Revenue, regulated markets	64.3	93.9	102.9	103.8	123.0

### Customer dependency

The company has decreased its dependency towards its largest customers in 2021. Evolution's largest customer accounted for approximately 11 percent (11) of revenues in 2021, and the five largest customers accounted for roughly 22 percent (33) of revenues.

Customer dependency, % of revenue

	2017	2018	2019	2020	2021
Top 1-5	38%	32%	27%	33%	22%
Top 1	9%	7%	6%	11%	11%

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the fourth quarter of 2021 amounted to EUR 4.9 million (2.8) and expenses to EUR 5.6 million (2.8). Operating profit was negative in the amount of EUR 0.7 million (0.0). Result for the period amounted to EUR 250.2 million (200.2). The Parent Company's cash and cash equivalents amounted to EUR 80.0 million (34.4) at the end of the period and equity amounted to EUR 2,829.3 million (2,666.3). No significant investments were made in intangible or tangible assets.

### Employees

As of 31 December 2021, Evolution had 13,410 employees (9,506), corresponding to 8,987 (6,818) full-time positions. The average number of full-time equivalents for the quarter was 8,707 (5,954).

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2020, which is available on the company's website.

### Dividend

The Board of Directors proposes that the Annual General Meeting resolve to transfer EUR 303.8 million (145.2) to shareholders, corresponding to EUR 1.42 (0.68) per share and 50.2 percent (51) of net profit respectively. The dividend is calculated by the number of shares 31 December 2021 with the deduction of Evolution's holding of own shares by the same date which amounted to 1,158,865 shares. Evolution has adopted a dividend policy according to which, 50 percent of the company's consolidated net profit is to be distributed over time, with a certain degree of flexibility in terms of the proportion distributed in dividends.

### Acquisitions of own shares

During the fourth quarter the Board of Directors decided to exercise its authorisation from the Annual General Meeting 2021 to repurchase own shares. The maximum amount for which shares may be acquired may not exceed EUR 200 million. Since 6 December 2021 up to and including 30 December 2021, a total of 1,158,865 shares have been acquired within the scope of the programme which corresponds to approximately 60 percent of the maximum of EUR 200 million.

**Calendar**

Annual report 2021	18 March 2022
Annual general Meeting	8 April 2022
Interim report January – March 2022	28 April 2022
Interim report January – June 2022	21 July 2022
Interim report January – September 2022	27 October 2022

Stockholm, 9 February 2022

**Martin Carlesund**
**CEO**

For further information, please contact CFO Jacob Kaplan, +46 708 62 33 94 or Head of IR Carl Linton, +46 705 08 85 75, [ir@evolution.com](mailto:ir@evolution.com).

Evolution AB (publ) e-mail: [ir@evolution.com](mailto:ir@evolution.com)  
 Vasagatan 16 Website: [www.evolution.com](http://www.evolution.com)  
 SE-111 20 Stockholm, Sweden Corporate ID: 556994-5792

**Presentation for investors, analysts and the media**

CEO Martin Carlesund and CFO Jacob Kaplan will present the report and answer questions on Wednesday, 9 February 2022 at 09:00 am CET via a telephone conference. The presentation will be in English and can also be followed online. Number for participation by telephone:

SE +46 8 505 583 54                    UK: +44 33 330 092 73                    US: +1 646 722 49 56

Follow the presentation at: <https://tv.streamfabriken.com/evolution-gaming-group-q4-2021>

*This information is such that Evolution AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact person set out above on 9 February 2022, at 07:30 am CET.*

*This report is published in Swedish and English. In case of any differences between the English version and the Swedish original text, the Swedish version shall apply. This report has not been subject to review by the company's independent auditor.*

# **EXHIBIT 21**



## Interim report | January–March 2022 | Evolution AB (publ)

### First quarter of 2022 (Q1 2021)

- Operating revenues increased by 38.6% to EUR 326.8 million (235.8)
- EBITDA increased by 43.4% to EUR 229.7 million (160.1), corresponding to a margin of 70.3% (67.9)
- Profit for the period amounted to EUR 197.7 million (132.0)
- Earnings per share before dilution amounted to EUR 0.93 (0.62)

### Events during the first quarter of 2022

- In the quarter 747,000 own shares were acquired. A total of 1,905,865 shares have been acquired and the repurchase program, announced 3 December 2021, is thereby completed.
- Launch of Lightning Roulette in New Jersey with other states to follow.
- After the end of the period, Evolution went live with an extensive set of online casino services for multiple operators in the new regulated online gaming market in Ontario, Canada.
- After the end of the period the first tables are live in our new Madrid studio.

### Summary of the first quarter

Group, EUR thousands	Jan-Mar 2022	Jan-Mar 2021	%	Apr 2021- Mar 2022	Jan-Dec 2021	%
Operating revenues	326,767	235,841	38.6%	1,159,703	1,068,777	8.5%
EBITDA	229,678	160,125	43.4%	804,203	734,650	9.5%
EBITDA margin	70.3%	67.9%	-	69.3%	68.7%	-
Operating profit	207,085	141,648	46.2%	719,441	654,004	10.0%
Operating margin	63.4%	60.1%	-	62.0%	61.2%	-
Profit for the period	197,689	132,038	49.7%	671,086	605,435	10.8%
Profit margin	60.5%	56.0%	-	57.9%	56.6%	-
Earnings per share before dilution, EUR	0.93	0.62	48.9%	3.14	2.83	10.7%
Equity per share, EUR	15.45	13.31	16.0%	15.45	14.91	3.6%
OCF per share before dilution, EUR	0.91	0.48	89.9%	3.23	2.80	15.3%
Average number of FTEs	9,635	7,055	36.6%	8,547	7,917	8.0%

For more information, please contact:  
Jacob Kaplan, CFO  
[ir@evolution.com](mailto:ir@evolution.com)

Visit and follow Evolution:  
[www.evolution.com](http://www.evolution.com)  
[www.twitter.com/EvolutionIR](http://www.twitter.com/EvolutionIR)

Evolution develops, produces, markets and licenses fully integrated B2B Online Casino solutions to gaming operators. Since its inception in 2006, Evolution has developed into a leading B2B provider with 600+ operators among its customers. The group currently employs 14,000+ people in studios across Europe and in North America. The parent company is based in Sweden and listed on Nasdaq Stockholm with the ticker EVO. Visit [www.evolution.com](http://www.evolution.com) for more information. Evolution is licensed and regulated by the Malta Gaming Authority under license MGA/B2B/187/2010. Evolution is also licensed and regulated in many other jurisdictions such as the United Kingdom, Belgium, Canada, Romania, South Africa, and others.

## CEO's comments

I'm very happy to see the great work of all Evolution employees producing yet another strong quarter. We continued the strong development from 2021 also during the first quarter of this year. Revenues in the quarter increased by 38.6 percent to EUR 326.8 million, supported by continued strong demand for Live Casino, and the EBITDA increased to EUR 229.7 million, which corresponds to an EBITDA margin of 70.3 percent.

Looking back at the start of this year the developments outside of Evolution are very much in my thoughts. Even though we were happy to see the effects of the pandemic slowly subsiding in Europe and North America during the quarter our attention moved to the war and the humanitarian catastrophe in Ukraine created by the unprovoked invasion from Russia. At the start of the war Evolution had approximately 100 co-workers based in Kyiv. As for now, the war has limited direct financial impact on our business but emotionally it has affected us all. We will naturally continue to follow the development closely.

The first quarter for Live Casino has started very well with good momentum on most metrics resulting in a strong growth of 44.0 percent. We experienced exceptional growth in the first half of 2021 so the comparable figures are demanding. 2022 has started very well and the entertainment and excitement that Live games offer continues to drive new as well as existing customers to our games.

RNG growth of 1.8 percent year on year pro-forma is in line with our expectations. While structural efforts, such as the One Stop Shop and other cross sales activities are important elements, at the end of the day the key for improved growth is developing great games to all players. End-user satisfaction is always key and taking us there is not done overnight. The road to success will not be straight-lined but the focus and ambition is clear and I'm convinced that we will reach our growth ambitions over time.

The EBITDA margin of 70.3 percent is a step up from the same period last year and within our guidance of 69-71 percent for 2022. I'm happy with this delivery during Q1, especially considering the situation in the world with general cost increases not only relating to transport and energy. Looking ahead we see that the guidance of 69-71 percent EBITDA margin remains.

For us at Evolution, launching new games is what we live for. Creating new fantastic end-user experiences and simply put - to innovate! New games build loyalty among our existing players, introduce existing players to new games they have not played before and attract completely new categories of players. In Q1 we launched Bac Bo, a unique dice game which combines elements of the classic games Baccarat and Sic Bo. We also released Peek Baccarat which is another version of the classic Baccarat. In the quarter we also introduced new RNG titles such as Narcos Mexico and Knight Rider, as well as home grown brands like Doggy Riches Megaways and Zillard King. During the remaining part of the year, we have a very strong line up of new games both in RNG as well as in Live – a very exciting time indeed.

There is a continued strong demand for online casino across the globe. In North America we continue to expand all our studios, with Connecticut as the next studio to be launched during 2022. In Asia we also continue to experience good growth, while the more mature European markets are, in general, in slower growth mode - some due to regulatory changes affecting operators. However, we still see growth opportunities in Europe. LatAm also offers good potential going forward and continues to develop with several markets in discussions regarding regulation of their market for online gaming.

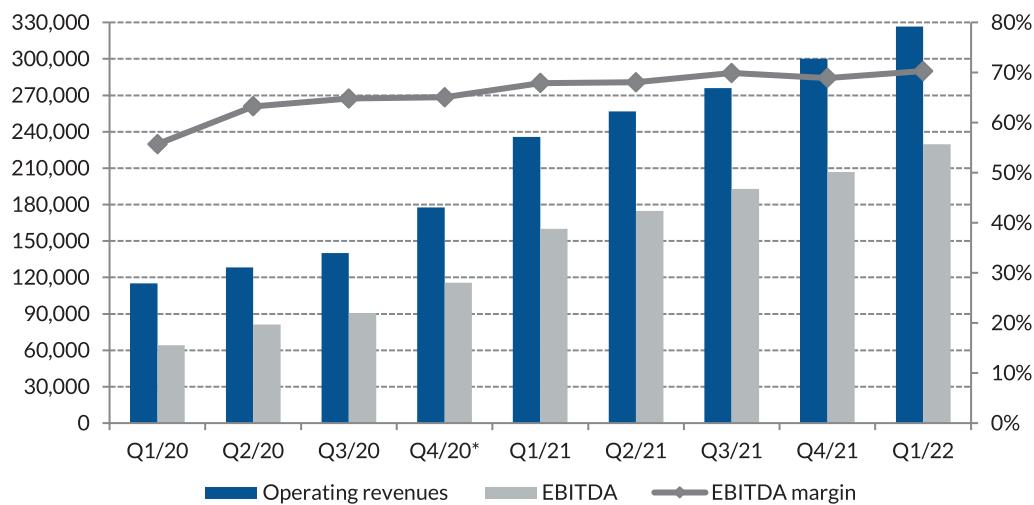
As I write this we are in the final preparations of Go-Live in our new studio in Madrid and as you read this the first tables are just opening! Also, we are moving closer to open our Yerevan studio to add even more capacity to the Evolution network. A lesson learned during the pandemic years is to not be too dependent on any one studio. Today we can efficiently allocate our resources within our network of fifteen studios and shift resources from one site to another when needed, without any impact on our delivery capacity. As we add studios to the network this becomes even more of a strength benefiting our operators. As earlier communicated, we expect total investments in new studios to increase also in 2022.



We are well on our way into 2022, leaving the first quarter with good delivery and momentum. We strive to be better every single day, every single one of us, and we fight every day to increase the gap to our competitors. With our 88 new games 2022 we have shown what thousands and thousands of fantastic Evolution employees can achieve together. Evolution is a workplace where everyone is accepted and respected. Together, we hope for a brighter end of 2022 than the beginning.

**Martin Carlesund**  
CEO

Quarterly results trend



\*Q4/20 adjusted for non-recurring items

## Financial performance in the first quarter of 2022

### Revenues

Revenues amounted to EUR 326.8 million (235.8) in the first quarter, equivalent to an increase of 38.6 percent compared with the corresponding period in 2021. EUR 62.3 million (52.2) of the revenue was derived from RNG-games. The positive revenue development within live casino mainly derives from increased commission income from existing customers and, to a certain extent, from new customers. Demand for online casino games continues to grow, partly as a result of our continuous launch of new games and variations on traditional games. The number of bet spots from end users amounted to 22.6 billion (17.2).

Revenue by game type

Group, EUR millions	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022
<b>Live</b>	183.7	203.7	214.5	237.4	264.5
<b>RNG, as reported</b>	52.2	53.0	61.5	62.9	62.3
<b>Total</b>	235.8	256.7	276.0	300.2	326.8
<b>RNG incl. BTG, pro-forma</b>	61.2	61.7	-	-	-

Big Time Gaming is included in the consolidated financial statements from 1 July 2021.

### Expenses

Operating expenses amounted to EUR 119.7 million (94.2). Expenses were mainly driven by higher costs for personnel, connected to the launch of new tables in the company's studios and the expansion in general compared to the first quarter of 2021. The expansion has also increased other operating expenses compared with Q1 2021.

### Profitability

Operating profit amounted to EUR 207.1 million (141.6), corresponding to an increase of 46.2 percent. The operating margin was 63.4 percent (60.1). The EBITDA margin was 70.3 percent (67.9).

A positive amount of EUR 5 million related to the final redemption of outstanding shares in NetEnt is included in net financial items. Other financial items, mainly interest expenses for leasing and currency exchange differences, only had a marginal impact on profits. The Group's effective tax rate for the quarter amounted to 6.5 percent (6.2). The tax rate is influenced by the countries in which earnings are generated and may vary between reported periods. Profit for the period amounted to EUR 197.7 million (132.0). Earnings per share before dilution were EUR 0.93 (0.62).

### Investments

Investments in intangible assets amounted to EUR 7.1 million (6.2) during the quarter and were mainly attributable to development of new games and technical improvements of the platform, such as new functionality.

Investments in property, plant and equipment amounted to EUR 14.0 million (7.0) and comprised new studio space, new gaming tables, servers and other computer equipment to meet new technical requirements and maintain capacity and performance in connection with new platform launches.

### Cash and cash equivalents, financing and financial position

Cash flow from operating activities amounted to EUR 194.3 million (101.8) during the quarter. Cash flow from investing activities was negative in the amount of EUR 96.1 million (negative 15.4) and included final redemption of outstanding shares in NetEnt of EUR 63.8 million. Cash flow from financing activities was negative in the amount of EUR 80.1 million (15.2) and included repurchase of own shares of EUR 75.6 million. Cash and cash equivalents amounted to EUR 439.5 million (326.0) at the end of the quarter.

## Market development

### Online Casino market

The global online casino market (Live & RNG) has grown strongly in recent years and is expected to continue to be among the fastest-growing gaming segments in the coming years. Evolution's growth target is to grow faster than the total global online casino market. Market growth is influenced by several underlying factors, such as technological advances with, among other things, improved hardware and increased bandwidth, the migration of land-based casinos to online environments and market regulations. Increased use of mobile devices has been a growth driver for many years, and in the first quarter 66.0 percent (68.5) of the operators' GGR via Evolution's platform was generated by mobile devices. RNG is the largest vertical of the online casino market. However, to a large extent, growth is driven by Live Casino having grown in importance for most gaming operators and has become an integrated and strategically important product for them.

As a B2B supplier, Evolution has customer relationships with gaming operators, who in turn own the relationships with the end users. Generally, the gaming operators are licensed in a limited number of jurisdictions while operating in a global market and allowing play from various geographic areas. The table below shows the geographic markets from which Evolution's revenues originate. Revenues based on player activity are allocated according to the end-users' location, while revenues not based on player activity are allocated to the operator's location. The UK includes the Crown Dependencies.

Revenue per geographical region

Group, EUR millions	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022
Nordics	16.4	16.4	19.5	20.9	21.8
UK	21.4	19.8	19.1	21.0	21.8
Rest of Europe	104.1	104.0	103.2	105.6	108.8
Asia	53.2	65.7	76.7	90.8	103.4
North America	21.6	27.2	31.9	33.8	36.8
Other	19.1	23.5	25.6	28.0	34.3
<b>Total operating revenues</b>	<b>235.8</b>	<b>256.7</b>	<b>276.0</b>	<b>300.2</b>	<b>326.8</b>
Share of regulated markets	40%	40%	38%	41%	40%
Revenues, regulated markets	93.9	102.9	103.8	123.0	131.1

## Other

### Parent Company

The Parent Company is a holding company. Net sales for the first quarter of 2022 amounted to EUR 5.2 million (4.6) and expenses to EUR 4.7 million (4.5). Operating profit amounted to EUR 461 thousand (115). Profit for the period amounted to EUR 243 thousand (88). The Parent Company's cash and cash equivalents amounted to EUR 142.2 million (39.1) at the end of the period and equity amounted to EUR 2,752.9 million (2,684.0). No significant investments were made in intangible or tangible assets.

### Employees

As of 31 March 2022, Evolution had 14,341 employees (10,226), corresponding to 9,805 (7,174) full-time positions. The average number of full-time equivalents for the quarter was 9,635 (7,055).

### Acquisitions of own shares

The Company has, during the period 9 February 2022 – 18 February 2022, acquired a total of 747,000 own shares within the framework of the repurchase programme introduced by the Board of Directors. Since 6 December 2021 up to and including 18 February 2022, a total of 1,905,865 shares have been acquired within the scope of the programme. The repurchase program, announced 3 December 2021, is thereby completed and closed.

### Significant risks and uncertainties

Evolution's operations are exposed to certain risks that could have a varying impact on earnings or financial position. These can be divided into industry, operational, and financial risks. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

The development of laws and regulations relating to the supply of gaming services that Evolution provides is a central risk factor for the Group's future earnings. Since most of Evolution's licensees are active in Europe, the legal situation in the EU is of particular interest and is continuously monitored and managed by the Group. Despite this, there remains a risk that, in the event of legislation being interpreted in an unfavourable or unanticipated way, Evolution's conditions for growth, profitability, and the games that may be supplied could be changed. Likewise, a favourable interpretation could have a positive impact on the Group.

One or more markets may be affected by events that may result in rapid changes in the business environment. Examples of this kind of events which could lead up to production disruption are extreme



weather events, social unrest, diseases (e.g. virus outbreaks) or other macroeconomic or geopolitical events affected by external influences.

For further information about Evolution's risk exposure and handling, please see the Group's Annual Report for 2021, which is available on the company's website.

**Upcoming report dates**

Interim report January-June 2022	21 July 2022
Interim report January-September 2022	27 October 2022
Year-end report 2022	February 2023

**Stockholm, 28 April 2022**

**Martin Carlesund**  
CEO

For further information, please contact CFO Jacob Kaplan, +46 708 62 33 94 or Head of IR Carl Linton, +46 705 08 85 75, [ir@evolution.com](mailto:ir@evolution.com)

Evolution AB (publ)	e-mail: <a href="mailto:ir@evolution.com">ir@evolution.com</a>
Vasagatan 16	Website: <a href="http://www.evolution.com">www.evolution.com</a>
SE-111 20 Stockholm, Sweden	Corporate ID: 556994-5792

**Presentation for investors, analysts and the media**

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SE: +46 8 505 583 73                    UK: +44 33 330 092 74                    US: +1 646 722 49 03

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